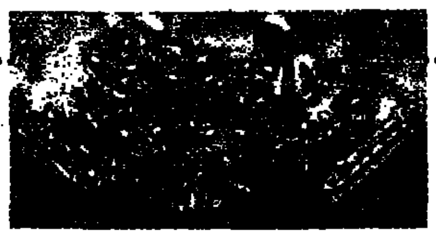
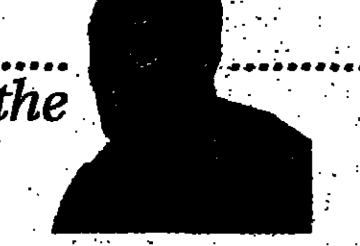
Weekend
FINANCIAL TIMES

Weekend FT

Oiling an island economy
SECTION II



Head to head with the world's fastest man



Food for a Quebec winter

World Business Newspaper

WEEKEND DECEMBER 9/DECEMBER 10 1995

ALSO INSIDE TODAY'S Weekend FT

If you hate skiing . . .

- The battle for Japan's lost islands
- It takes two weeks to shoot a wolf

Top companies in Japan 'expect further recovery'

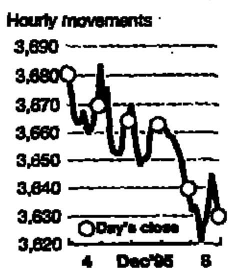
Japan's leading companies feel slightly more confident about business conditions than they did three months ago and expect further recovery in the short term, the Bank of Japan has announced. But Tokyo economists said the results, in line with the market's expectations, show that the first fragile signs of recovery, helped by a Y14,220bn ($142bn) fiscal stimulation package in September, are too weak to tempt the central bank to raise its record low interest rates. Page 22; Minister raises telecoms deregulation hopes, Page 3

US jobs figures raise chance of rate cut: Speculation that the Federal Reserve will cut interest rates this month mounted following the release of lacklustre jobs figures. Page 3

London stocks continue to fall

FT-SE 100

Hourly movements



Source: Reuter

The FT-SE 100 – hit by profit warnings, nervousness in the US and a fluctuating international bonds market – ended another volatile session 9.5 points lower at 3,630, its fifth successive fall. The index lost 50.4 points, or 1.3 per cent, over the week as activity on Wall Street continued to unsettle markets in London and throughout the rest of Europe. Page 19; World Stocks, Page 17

Rivals settle on digital video format: Nine of the world's leading consumer electronics companies have agreed a common format for digital video disc systems, ending months of negotiation over the technical specifications. Page 6

UK accountants seek offshore protection: Jersey is to try to change its laws to attract the UK's Big Six accountancy firms, which are seeking to protect partners' personal assets. Page 22

Beef prices plunge in 'mad cow' scare: Prices of beef cattle plunged by £100 ($154) at one of Britain's main auction markets where prime bullocks sold for less than £600 each following scares about "mad cow disease". Page 4; Joe Rogaly, Weekend FT, Page I

Mediobanca, the powerful Milan merchant bank, won its battle to push through a controversial L953bn ($589m) capital increase for Ferruzzi Finanziaria, the Italian holding company. Page 6; Lex, Page 22

France scores poor literacy levels: France suffers from levels of adult literacy substantially below the levels in a number of other developed countries. Page 2

Russia in Chechnya deal: Russia has reached an agreement with representatives of the Moscow-appointed Chechen government offering considerable autonomy to the Caucasian republic. Page 2

Companies in this issue

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(69) 15685150

Restructuring plan for rail company to be delayed, say unions

French strikers claim concession

By David Buchan and Andrew Jack in Paris

Striking French railway workers won an apparent initial concession from the government yesterday, as public sector industrial action that has brought chaos to the country moved into its third week.

Union representatives leaving their first meeting to discuss a restructuring plan for the SNCF national railway company with Mr Jean Mattéoli, the newly-appointed government negotiator, said he had agreed in effect to delay the signature of the plan, due next week.

In addition, aides said that Mr Alain Juppé, the prime minister, was poised to meet top strike leaders in the broader disputes gripping the country and triggered by his proposed social security reforms. They said he was also launching a public information campaign today to explain his ideas.

However, they stressed his meeting would take place only after the unions had held preliminary lower-level talks with ministers and mediators, and given an assurance that they would not increase their demands.

Two passengers walk past burning tyres used by French strikers yesterday to try to block access to Roissy Charles de Gaulle airport Picture: AP

The SNCF plan is an important element in the dispute between railway management, which is under pressure from the government to reduce large deficits, and workers who have led strike action paralysing transport since late November. Some observers suggested yesterday that the plan - the signing of which is likely now to be delayed by at least a week - was less important than a separate strategic plan due to be discussed early next year. Representatives of a number of national unions yesterday accepted the invitation of Mr Jacques Barrot, the labour minister, for talks today, although Force Ouvrière, one of the leading unions in the strike, has not said whether it would participate. The industry minister has convened a round table discussion with unions and employers' organisations on the future of public services next Wednesday, on the eve of a European energy ministers' meeting at which possible changes in Electricité de France's monopoly is on the agenda. Yesterday saw no repeat of Thursday's massive protest marches which brought an estimated 700,000 demonstrators

Continued on Page 22
Strike hits central bank, Page 2
striker with the cigar, Page 9

Westinghouse to sell defence arm for $2bn

By Tony Jackson in New York

Westinghouse, the US conglomerate which is paying $5.4bn for the CBS television network, is to sell its defence electronics business for an estimated $2bn-plus.

Westinghouse said that together with the sale of another smaller business yet to be specified the disposal would raise around $3.2bn.

Separately, Westinghouse said it would cut almost 500 jobs in its struggling power generation division. It will take a fourth quarter charge of $200m to cover the lay-offs and the settlement of lawsuits over allegedly faulty steam generators supplied by the division.

The defence business, which had operating profits last year of $165m on sales of $2.5bn, specialises in radar and electronic surveillance.

Westinghouse said it was in talks with "a select group of major defence contractors", but would not give further details. Several large defence companies, such as Raytheon, refused to comment.

The US defence industry has been consolidating in the past two years in the face of US defence cuts. Westinghouse's defence revenues fell 14 per cent between 1992 and 1994.

Westinghouse said it would announce the second business to be sold within two weeks. Speculation on candidates included the temperature control business Thermo King, which had profits last year of $130m on sales of $877m, or the furniture maker Knoll, which lost $67m on sales of $567m.

Westinghouse said the disposals, expected to be completed by the middle of next year, would pay down 70 per cent of the debt taken on for CBS and would leave the group with 65 per cent of its earnings from broadcasting. Mr Michael Jordan, Westinghouse chairman, said the shaping of the new Westinghouse would then be "essentially complete".

Westinghouse said it had settled litigation over steam generators supplied to a Texas nuclear power plant, the South Texas Project. This brings the number of disputes settled out of court to seven. Westinghouse has won two cases in court and has three still outstanding. It declined to specify how much of the $200m charge related to the settlements and how much to severance payments.

In the fourth quarter of last year, Westinghouse had earnings of $189m before redundancy and other charges, and a loss after charges of $107m. Its shares fell $¾ to $17¼ in early trading.

Ex-Barings chief denies Leeson cover-up attempt

By John Gapper, Banking Editor, in London

Mr Peter Norris, former chief executive of investment banking at Barings, the UK merchant bank that collapsed in February, yesterday denied that he tried to cover up unauthorised trading by Mr Nick Leeson, its former trader.

Commenting publicly for the first time since the collapse, Mr Norris said that if the accusation made against him in the Singapore inquiry had been published in Britain he might have sought a judicial review of its fairness.

Mr Norris, who resigned from Barings in May along with 19 other executives, could still face charges in Singapore along with Mr James Bax, former head of Barings' Singapore office. He declined to comment on this possibility.

Mr Leeson was jailed a week ago in Singapore for six and a half years after admitting fraud linked to £830m ($1.3bn) derivatives losses which he concealed in a trading account. His lawyers are considering appealing against the sentence.

Mr Norris said in an interview there was "no truth in the conclusions" of inspectors from Price Waterhouse appointed by the Singapore Ministry of Finance. They had depended on "a sequence of conjecture and circumstance".

He said he did not believe Mr Leeson's explanation in a television interview earlier this year that he started by concealing mistakes by other traders in a hidden account, and these losses then spiralled out of control.

He could only speculate as to the real explanation, but he did not find it credible "that an ostensibly well-intentioned, misconceived, very limited act, could turn into the systematic fraud and deception which destroyed Barings".

Mr Leeson has insisted that he

Continued on Page 22
Repent at leisure, Page 9

Bosnia warning by US envoy as talks start on peace deal

By Anthony Robinson in London, Harriet Martin in Sarajevo and Virginia Marsh in Budapest

Mr Richard Holbrooke, the US envoy to former Yugoslavia, warned yesterday that Bosnia was "poised between war and peace" as an international conference began in London on ways of implementing the settlement.

"Implementation is going to be just as difficult as negotiating peace was," said Mr Holbrooke in Sarajevo, where he won assurances from the Bosnian government that Moslem irregular fighters would be asked to leave the republic.

The foreign ministers meeting in London last night unanimously agreed to appoint Mr Carl Bildt, the former Swedish prime minister, to the vital role of high representative to co-ordinate the political aspects of the peace agreement.

Mr John Major, British prime minister, opened the two-day "peace implementation" conference attended by high-level delegations from Bosnia, Croatia and Serbia, the European Union, the US, the Islamic states and Japan.

In Sarajevo, Mr Holbrooke pressed Bosnia's President Alija Izetbegovic to provide assurances on the future of tens of thousands of Serbs in the outer suburbs of Sarajevo who will come under the authority of the Moslem-led government under the forthcoming peace deal.

Mr Izetbegovic said his government would send messages through the media to reassure the Serbs, many of whom are expected to flee rather than submit to their adversaries.

"We will be sending strong messages to the Serbs of Bosnia Hercegovina that they will be fully secure under the Dayton agreement," the Bosnian leader said, referring to last month's peace deal initialled in Ohio.

He also confirmed "foreign elements in the Bosnian army" – a reference to anti-western mujahideen fighters who are supporting the Moslem cause – would be sent home within a month of a peace agreement being signed.

Mr Major said: "We must take one decision above all: that peace

Continued on Page 22
Bosnia peacemakers jostle for limelight, Page 2

STOCK MARKET INDICES

FT-SE 100:	3,630.0	(-9.5)
Yield	3.96	
FT-SE Eurotrack 100	1,467.57	(+5.10)
FT-SE-A All-Share	1,773.35	(-0.3%)
Nikkei	19,288.97	(-125.35)
New York: lunchtime		
Dow Jones Ind Ave	5,163.97	(-5.42)
S & P Composite	616.64	(+0.47)

LONDON MONEY

3-mo interbank	6½%	(Same)
Liffe long gilt fut:	Mar 110⅞	(Mar 110½)

US LUNCHTIME RATES

Federal Funds:	5¾%
3-m Treas Bills: Yld	5.471%
Long Bond	111⅞
Yield	6.059%

NORTH SEA OIL (Argus)

Brent 15-day (Jan)	$17.70	(17.60)

GOLD

New York Comex (Feb)	$391.4	(390.5)
London	$388.7	(388.7)

STERLING

New York lunchtime:		
$	1.533	
London:		
$	1.5274	(1.5378)
DM	2.2116	(2.2186)
FFr	7.6091	(7.6427)
SFr	1.7899	(1.7984)
Y	154.644	(155.602)
£ Index	82.8	(82.8)

DOLLAR

New York lunchtime:		
DM	1.446	
FFr	4.978	
SFr	1.1675	
Y	101.15	
London:		
DM	1.448	(1.4416)
FFr	4.9819	(4.9699)
SFr	1.1715	(1.1682)
Y	101.25	(101.18)
$ Index	94.1	(93.6)
Tokyo close Y 101.35		

CONTENTS

Austria Sch35; Bahrain Din1.250; Bermuda $2.00; Belgium BFr70; Canada C$1.75; China RMB28.50; Cyprus C£1.10; Czech Rep K256; Denmark DKr17.00; Egypt E£5.00; Estonia EKr 20.00; Finland FmK15; France FFr11.00; Germany DM3.80; Greece Dr400; Hong Kong HK$20; Hungary Ft215; Iceland IKR220; India Rup75; Indonesia Rp4,050; Israel NS7.50; Italy L3000; Japan Y500; Jordan JD1.50; Korea Won 3000; Kuwait Fils.620; Lebanon $US1.80; Luxembourg LFr70; Malaysia Rgt4.80; Malta Lm0.60; Morocco Dh15.00; Nigeria Naira90.00; Netherlands Fl4.25; Norway NKr18.00; Oman OR1.50; Pakistan Rs40; Philippines Peso 50; Poland Zl 4.20; Portugal (m'land) Esc230; Qatar QR13.00; S.Arabia Rls11.00; Singapore S$4.30; Slovak Rep Sk60; South Africa R12.00; Spain Pta250; Sri Lanka Rup30; Sweden SKr17.00; Switzerland SFr3.60; Taiwan NT$95; Thailand Bht50; Tunisia Din1.500; Turkey L80,000; UAE Dh12.00; USA $1.50

 No 32,854 Week No 49

LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO

NEWS: EUROPE

Furious squabbling has broken out between France and the US over who will oversee next year's poll

Bosnia peacemakers jostle for limelight

By Bruce Clark in London and Laura Silber in Belgrade

"What we all want is peace – a piece for you and a piece for me," read the caption on a corny wartime cartoon showing Stalin, Churchill and Roosevelt. The nations and organisations involved in the Bosnian peace process are also haggling, with a fury that is often farcical – and could yet turn tragic if it derails the settlement.

Yesterday's London conference was only the latest round of a peacemaking game in which all players are looking to maximise leverage and minimise expenditure and risk.

A furious squabble over who will oversee next year's Bosnian election – a European or an American – boded ill for the chances of agreement on more substantial issues, such as who will foot the $6bn reconstruction bill.

Almost the only things on which all sides agree is that a year-long mission by Nato's 60,000-strong implementation force (Ifor) has no chance of nailing down peace unless a larger and longer-lasting civilian machinery is also established.

Nato theology decrees that Ifor must not do civilian tasks – that would be "mission creep" – but civilian tasks, from resettlement to reconstruction, must somehow get done, to give Bosnian people a vested interest in peace.

But one of the Nato mission's selling points – in the eyes of the US Congress – is that western armies in Bosnia must not be hamstrung by the bleeding-heart bureaucrats of the United Nations.

So Ifor will need to use some of the services the UN has hitherto provided, while avoiding overt association with an organisation whose name can only be pronounced in whispers on Capitol Hill.

General George Joulwan, Nato commander in Europe, has confided to UN officials that he would love to have at his disposal the 30 or so civil affairs officers whose quiet trouble-shooting has been a UN success story.

But whatever home these veterans of Bosnian politics eventually find, it is unlikely that they will be incorporated into Ifor, because of their past association with the UN.

The practical effects of the new slogan – "in with Nato, out with the UN" – can be observed all too vividly in a sprawling compound on the outskirts of Zagreb which the Atlantic alliance is taking over from the blue helmets.

The second floor of the compound, which is a curious mixture of Austrian Baroque and military prefab, has already been declared a security zone, off limits to UN personnel. "Every time I look round there is another 10-foot-tall marine measuring the ceiling," complains one UN official.

Back in New York, UN financial managers will be only too glad to be relieved of the strain which Bosnian peacemaking has placed on their ravaged budget. But whoever picks up the slack, it is unlikely to be Washington.

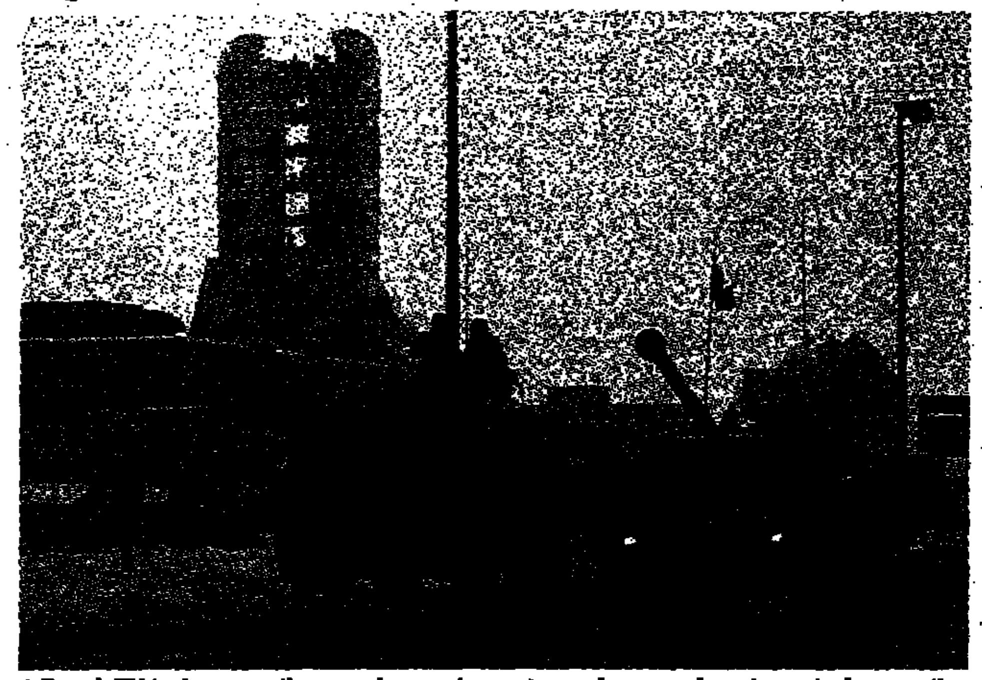
Washington feels it has shouldered more than its share of the Bosnian burden by hosting last month's peace talks in Dayton, Ohio; providing 80 per cent of the western air power over Bosnia; and sending in 20,000 troops in defiance of US public opinion.

Hence Washington's refusal to foot more than 20 per cent of the $3bn in reconstruction costs which it expects to come from national governments, while financial institutions provide the remainder.

US officials say they "gave" France the prestige of hosting next week's conference, where the peace deal will formally be signed, in acknowledgement of President Jacques Chirac's role in jolting the west into action. But France will not play the grateful supplicant. As French officials tell it, the signing of the Elysée treaty (which Dayton, Ohio, used to call its own) is proof of Paris' abiding primacy among Balkan peacemakers.

France, they say, is the only country that has consistently worked for a settlement; the US is a Johnny-come-lately which owes Paris a huge debt. The London conference was dreamed up by Britain in October, at a time when Paris and Dayton were front-runners in the competition to be world capital of peacemaking.

US envoy Richard Holbrooke arrives in Sarajevo yesterday



A French UN tank passes other peacekeepers in an armoured personnel carrier yesterday near the shell of a wrecked newspaper building which was repeatedly bombed during the war. Associated Press

Moscow agrees autonomy deal with Chechnya

By John Thornhill in Moscow

Russia yesterday reached an outline political agreement with representatives of the Moscow-appointed Chechen government offering considerable autonomy to the Caucasian republic in an attempt to resolve their four-year power struggle.

But the deal, which comes nine days before parliamentary elections in Russia, appears to fall well short of a final political settlement.

Relations between Moscow and Chechnya have been strained ever since the separatist leader Mr Dzhokhar Dudayev declared independence from the Russian Federation in 1991. But the dispute erupted into open conflict a year ago when Russian forces invaded the region in an attempt to topple Mr Dudayev, causing the deaths of about 30,000 people and creating 415,000 refugees.

Mr Victor Chernomyrdin, Russia's prime minister, signed the agreement in Moscow with Mr Doku Zavgayev, the nominal head of the Chechen Republic, promising to give the region a special status within the Russian Federation.

The Russian government also agreed to provide additional financial resources to help rebuild Chechnya and compensate residents who had suffered in the recent conflict.

The vaguely worded agreement, containing only the main principles of a final settlement, resembles the treaty Moscow signed with the republic of Tatarstan in February 1994, which ceded considerable financial and political autonomy to the central Russian region.

The deal comes as a welcome political boost to Mr Chernomyrdin, whose Our Home is Russia electoral bloc appears to be flagging in the run-up to the parliamentary poll on December 17.

Mr Chernomyrdin has long championed a peaceful solution to the Chechen conflict, which has badly tarnished Russia's image abroad.

"Neither Dudayev nor anybody else can stop the peace process. We've been waiting for this moment for too long," Mr Chernomyrdin said.

Mr Zavgayev said: "This agreement will bring peace to every family. It will help to determine relations with the federal bodies of power, resolve the outstanding social and economic problems, and restore the traditional cultural, economic and other ties with the regions inside and outside the country."

But it was not clear whether other Chechen politicians would abide by the agreement. Some Chechen leaders have vowed they will settle for nothing less than full independence and will oppose those seeking

compromise.

Mr Zavgayev has been the target of several assassination attempts in the past few weeks and federal troops reported yesterday they had come under fire from Chechen resistance fighters 25 times in the previous 24 hours.

Despite the signing of a military agreement this summer, violence in the region has escalated ahead of a poll scheduled for December 17 to elect a new regional head. Some separatists have threatened full-scale civil war in the region if the elections go ahead as planned.

EUROPEAN NEWS DIGEST

Publishers in cartel probe

Italy's anti-trust office, headed by former premier Giuliano Amato, has opened a formal investigation into whether publishers have been operating a cartel to prevent heavy discounting of books.

The inquiry follows complaints from Faid, the federation of wholesale distributors, whose 120 members include supermarket chains, cash and carry stores, discount operators and catalogue sales companies. They claim the main publishers and the Italian booksellers association are operating a price cartel with bookshops and retail outlets which includes penalising those who break the pact. The publishers are expected to defend their position, arguing that heavy discounting undermines small bookshops and damages the publishing industry as a whole. *Robert Graham, Rome*

Belarus, Ukraine vote tomorrow

Voters in Belarus and Ukraine will tomorrow try to fill vacant seats in their parliaments months after previous elections failed to satisfy tough turnout requirements.

The future of democracy is at stake in Belarus, where the president has vowed to rule without a legislative check unless the turnout brings in enough MPs to make a two-thirds quorum in the 260-seat parliament. Twenty MPs got in in last week's first round, where a surprisingly high turnout ensured that all but two of 140 constituencies held valid votes, joining 119 who won in the first election rounds in May. Communists are expected to do well in the run-off, but the liberal opposition in Belarus appears stronger as the economy continues to shrink.

In Ukraine, the by-elections are for 45 seats in the communist-led parliament, and reformers hope new MPs may change the balance of power. Mr Evhen Marchuk, prime minister, looks likely to win a seat and may try to challenge the current communist parliamentary chairman, Mr Oleksandr Moroz. A new constitution and economic reform are the main issues at stake. *Matthew Kaminski, Kiev*

French strike hits central bank as third of workers walk out

By Andrew Jack

Nearly a third of the employees of the Bank of France, perhaps the institution most committed to budgetary constraint and fiscal responsibility in the country, went on strike this week.

Members of five of the seven unions represented at the bank stayed away from work yesterday and on Thursday, the day that the bank's monetary policy council decided to cut interest rates in an apparent sign of confidence in the government's resolve to push through its cost-cutting programme in the face of union opposition.

One trade unionist at the bank said the Bank's monetary policy role was "the domain of the governor, not of the personnel who carry out work of high quality in the service of the state".

The Bank of France gained independence from the French government early last year, but its 16,800 tenured employees have held a status apart from civil servants and other public sector workers for far longer.

They benefit from a *régime speciale* like compatriots in the SNCF, the national railway company, the RATP urban transport system, the gas and electricity utilities and other quasi-public sector institutions.

They are required to pay contributions towards retirement for 37.5 years, rather than 40 years in the private sector.

Like other public sector workers, their pensions are calculated on salary in the six months before they retire, not the private sector norm which takes into account the best years of the previous 25.

Unlike train drivers and some other groups considered to be subject to special stress who have the right to retire at 50, Bank of France staff must stay in their jobs till they are 60 – with the option for senior staff to extend this until 63 years old.

Employees have other advantages, such as longer holidays than most and a gross monthly salary of FFr17,400 ($3,600) a month – which the unions argue reflects the relatively high level of training.

Like their *confrères* in the banks, staff can receive top-up personal and housing loans at up to 30 per cent below market interest rates. Women receive up to 33 weeks of paid maternity leave, against the legal minimum of 16 weeks, and those who are ill can draw up to three months' pay each year.

The unions, which voted to continue their strike today, express concerns about general reforms to the country's social security system, but also face specific concerns.

A special works committee on December 19 is to discuss up to 800 jobs losses in its banknote-printing division, and other management reforms could threaten staff in a number of other areas of the Bank.

France's adult literacy levels win poor marks from OECD

By Andrew Jack in Paris

France suffers from levels of adult literacy substantially below the levels in a number of other developed countries, according to a confidential study prepared by the Organisation of Economic Co-operation and Development.

Young French people aged 16-25 performed well, but older ones scored poorly, an indication that workplace-based training and on-the-job skills development of adult employees needs improvement.

The figures were suppressed from an official report published last week by the OECD which examined the literacy skills of groups of people in all age ranges in seven countries.

France spent more than FFr7m (£916,000) contributing to the $15m (£9.4m) cost of the three-year research programme, but vetoed the inclusion of its own national results three months ago after seeing how low it scored.

In an overall ranking, it came just ahead of Poland, which was in last position, and substantially behind the US, which was the third-worst. The top-ranking country was Sweden, followed by the Netherlands, Germany, French-speaking Swiss, German-speaking Swiss and Canada.

> Part of the problem is that there is no word in French for literacy

French government officials claim that statistics collected from the different countries were not comparable, that the methodology used in the study was faulty and that there was confusion over what was being measured.

One source said that part of the problem was that there is no word in French for literacy as it is understood in other languages: the nearest word for illiteracy means a complete inability to read.

The OECD study was designed to examine three issues: prose literacy, or the know-how to understand texts found in everyday life; document literacy, or the ability to respond to written information; and quantitative literacy, or the skill required for arithmetic operations.

From the total group of people studied across the eight countries, 40 cent of the French were in the bottom fifth in their prose literacy, 37 per cent in document literacy and 33 per cent in quantitative literacy. In all cases, they came just ahead of Poland. Britain refused to participate.

This appears to have been sufficient to cause a political storm within the French government, and lead to the suppression of the study.

While in some other countries such as Sweden, the abilities at school-leaving age were relatively poor, the figures improved as people got older, suggesting that they continued to develop educationally once they went into the workplace.

In France, by contrast, they appeared to stagnate at best. "The school system appears to function well, but the hierarchical and authoritarian approach of French companies – with the idea that the technocrats at the top know best – means that most workers don't get the chance to develop their skills," says one source with knowledge of the project.

It seems that France, like the UK, will take part in a new study, which will also involve Italy, Spain, Portugal and Greece.

Those who have seen the full OECD study hope that the French will at least pay some attention in private to the lessons that they do not wish to air in public.

Russian bank wins control of oil giant

By John Thornhill in Moscow

Menatep, one of Russia's most powerful banks, yesterday secured control of Yukos, the country's third biggest commercial oil company, as the government continued to unfold its controversial privatisation programme.

The bank yesterday agreed to lend the government $159m (£100m) in return for managing a 45 per cent state shareholding in Yukos until next year, but is expected to secure full ownership of the share packet thereafter.

Menatep also acquired a further 33 per cent of Yukos's shares through an investment tender in which it pledged to invest $150.1m in developing the oil company's assets. Like most Russian oil companies, Yukos has seen its production levels fall sharply as a result of the economic upheavals but expects to stabilise annual production at about 35m tonnes this year.

The government's privatisation programme, which is transferring big parcels of shares in some of the country's most valuable semi-privatised companies to domestic commercial banks, is radically reshaping Russian capitalism.

But it has also sparked fierce rows within Russia's financial community and criticism from politicians.

Three other powerful Russian banks – Inkombank, Alfa-Bank, and Rossisky Kredit – which wanted to compete in the privatisation auction for Yukos, alleged that Menatep was unfairly attempting to grab control.

Their complaints were rejected by the government and they did not participate in yesterday's auction.

Mr Anatoly Chubais, the first deputy prime minister responsible for economic policy, forcefully defended the privatisation programme this week, arguing it was impossible to pursue an "error-free" model of transferring assets to the private sector.

The privatisation programme has become highly contentious ahead of Russia's parliamentary election scheduled for December 17 and even some pro-market reform politicians have called for the share transfers to be halted.

The Communists, leading in the opinion polls, have accused the government of selling off the people's property too cheaply, but Mr Chubais said the state could only sell an asset for as much as someone was prepared to pay.

Greek Socialists jockey for position

While Mr Andreas Papandreou, Greece's prime minister, battles to stay alive, politicians in his Panhellenic Socialist Movement are abandoning any pretence of governing as usual.

An atmosphere of conspiracy has engulfed Pasok as rival contenders for the prime minister's job line up potential supporters ahead of what is expected to be a bitterly contested struggle for power.

Cabinet ministers are abandoning the orange telephones used for direct communication between government officials in favour of mobiles, which are thought by their advisers more difficult to tap.

The Socialists' display of unity after Mr Papandreou was rushed to hospital on November 20 with pneumonia proved short-lived. The cabinet's efforts to maintain an appearance of normality dissipated as his condition worsened.

Mr Papandreou, 76, sat up yesterday after being unconscious for most of the past 10 days. Doctors said he had shown improvement but were cautious about his chances of full recovery.

Mr Telemachos Hytiris, the media minister, repeats at his daily briefing, though in increasingly gloomy tones, that it is still too early to discuss a new prime minister.

Debate centres on the timing of Mr Papandreou's resignation and whether he will make known the name of his preferred successor to his wife Dimitra, the only person with unrestricted access to the intensive care unit at the Onasseion Cardiac Hospital where he is being treated.

The cracks in Pasok's facade are widening as a growing number of backbenchers, scenting a chance to wield unaccustomed power, call for an immediate vote by the parliamentary group to choose a new prime minister.

For the government, apparently simple decisions have assumed daunting proportions. It took several days of manoeuvring between Greek officials in Athens and Brussels before the acting prime minister, Mr Akis Tsochatzopoulos, received the go-ahead to replace Mr Papandreou at next week's EU summit in Madrid.

Some prominent Socialists argued that Mr Tsochatzopoulos, whose exposure to international affairs consists mostly of brief appearances at Socialist International meetings, lacks the experience to defend Greek interests at the summit.

The real reason for their objections, say others, was that a successful performance in Madrid could give a decisive boost to his chances of holding on to the prime minister's job permanently.

However, foreign policy-making, which Mr Papandreou used to handle personally, is on hold, with ministry officials more likely to be found in nearby cafes than at their desks. Mr Karolos Papoulias, the foreign minister and one of the prime minister's closest friends, has cancelled a visit to Bulgaria and spends much of his time at the hospital.

Only at the economy and finance ministries, responsible for getting the 1996 budget through parliament before the Christmas recess, are civil servants being required to keep regular hours.

It is good news for economic policy that neither Mr Yannos Papantoniou, economy minister, nor Mr Alex Papadopoulos, finance minister, is a candidate to succeed Mr Papandreou. As a result they have time and energy available to repulse a campaign by the cabinet's radical wing to undermine next year's tight wages policy.

Both ministers are keeping in close touch with the central bank governor, Mr Loukas Papademos, in case the leadership vacuum triggers a run on the drachma. Interest rates moved gradually upwards as Mr Papandreou's condition weakened, but are not yet giving cause for concern, according to central bank officials. The drachma fell against the D-mark when he was rushed to hospital but recovered quickly and has remained stable.

Kerin Hope

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Happy ending to troubled Jupiter voyage

By Clive Cookson, Science Editor

The accident-prone six-year voyage by Galileo, the unmanned US space explorer, from Earth to Jupiter concluded triumphantly late on Thursday night with a 49-minute engine burn, which put the craft into a near-perfect orbit around the giant planet.

At the same time, Galileo's companion probe parachuted as planned through the stormy Jovian atmosphere, transmitting what Mr Torrence Johnson, the mission's chief scientist, called "an extremely detailed weather report, the most important weather report we'll ever get."

After about an hour the probe was destroyed by the heat and/or pressure of the gases above it.

Amid scenes of jubilation at the Jet Propulsion Laboratory in Pasadena, California, Mr Daniel Golden, head of Nasa, the US space agency, asked his project team: "Is this a great day or what?"

"I'm so proud of this Nasa team," he said. "They stuck with it. They had all sorts of problems to deal with and they never gave up."

The most serious problem was the failure of Galileo's main radio antenna early in its 3.7bn kilometre journey. The stand-by communications system being used instead is far slower and less powerful; it involves recording data on magnetic tape and transmitting it later from the craft's small navigational antenna.

As a result, the project team does not know yet what conditions the probe encountered as it descended through Jupiter's orange-coloured clouds. Scientists had forecast extremely turbulent weather, with winds up to 500kph and violent thunderstorms.

They hope that Galileo will transmit the probe's measurements to them during next week. They could then announce preliminary scientific conclusions within 10 days.

The 2½-ton craft is expected to remain in orbit for two years before plunging to destruction inside Jupiter's atmosphere.

During that time, Galileo will take pictures of the planet itself and eight of its 16 known moons.

It will also observe Jupiter's rings – far fainter than those of Saturn – and measure its intense magnetic fields and associated swarms of dust and electrically charged particles.

By the end of the $1.5bn mission, many of the project scientists will have devoted more than 20 years to it.

They started designing Galileo in the mid 1970s as a follow-up to the Voyager fly-by missions, andsuffered years of delay and forced re-designs before the craft was launched in 1989.

But nothing still to come is likely to match the emotions felt on Thursday night.

"You wait 18 years; when it comes to that moment you sweat," said Mr Wesley Huntress, Nasa's head of space science.

"Then tears come to your eyes, you throw your hands up. That's what makes this business so exciting."

INTERNATIONAL NEWS DIGEST

Pension reform row in Mexico

A law to reform Mexico's state-run pension system was approved early yesterday by the national chamber of deputies, after a stormy all-night session that almost split the ruling Institutional Revolutionary Party (PRI).

In order to maintain party unity, PRI leaders made last minute changes to the bill, modifying it almost beyond recognition. The PRI was the only party to vote for the reforms, which were opposed by the conservative National Action party and the left-leaning Revolutionary Democrats.

President Ernesto Zedillo's original intention was to introduce a law that would privatise the management of retirement savings, currently under the auspices of the Mexican Social Security Institute (IMSS), a mammoth bureaucracy with more than 300,000 employees, and a budget bigger than that of Pemex, the state-owned oil monopoly and Mexico's biggest company.

Mr Zedillo's bill sought to create private-sector pension fund management companies, fashioned after the Chilean system that was privatised 15 years' ago.

The opposition of many PRI deputies, however, led to amendments that kept the IMSS in charge of pension fund administration, although contributors will have their individual accounts. *Leslie Crawford, Mexico City*

Hata bid to lead opposition

Mr Tsutomu Hata, a former Japanese prime minister, yesterday launched a bid to take over as president of Japan's main political opposition group, the New Frontier Party.

Mr Hata, who was Japan's shortest reigning post-war prime minister, for two months last year, said he would compete in the NFP's first leadership election since its formation from the merger of nine small opposition parties a year ago. Mr Hata, deputy head of the NFP and a former finance minister, is popular with Japan's bureaucracy and seen as a safe and competent leader by the business community.

The current NFP leader is Mr Toshiki Kaifu, another former prime minister, who has been criticised by NFP members for failing to differentiate the centre-right NFP from the conservative ruling Liberal Democratic Party. Mr Ichiro Ozawa, the party's secretary general and political strategist, has also hinted in recent days that he might compete for the job. His calls for a more open and assertive government have won support in NFP ranks. *William Dawkins, Tokyo*

Vietnam debt talks threatened

Fragile negotiations between Vietnam and its commercial creditors over the rescheduling of about $800m in arrears are under threat from a small, British Virgin Islands-registered company which is taking a Vietnamese bank to court in London for repayment of $2.2m of the debt, bankers and lawyers said yesterday.

The move has unsettled bankers and the Vietnamese government, as both are locked in tough talks over the terms of what would be Hanoi's first attempt to settle commercial, or London Club, debt. Resolving the issue would sharply reduce Vietnam's sovereign credit risk and improve the scope of foreign bank lending to much-needed infrastructure projects.

Abbotsford Investments, the British Virgin Islands company, is understood to have bought a slice of Vietnamese debt on the secondary market in 1994. This amount represents a loan made to Vietcombank, a state owned bank, by Italy's Banca Commerciale Italiana in 1979. Abbotsford has demanded repayment of the loan at full value. Vietcombank refused, saying it was still in talks over its entire commercial, or London Club, debt. Hanoi's $800m debt is mostly in Vietcombank's name. *Jeremy Grant, Ho Chi Minh City*

Pesticide phase-out is agreed

Industrial countries have agreed to cut the use of methyl bromide, a widely used fumigant, as the next stage in their efforts to halt destruction of the ozone layer.

Environmental ministers agreed in Vienna this week to reduce use of the substance by 25 per cent by the year 2001, followed by a 50 per cent cut by the year 2005, with phase out by 2010, subject to exemption for certain critical agricultural uses. They also agreed to bring forward the phase-out of HCFCs, used for refrigeration, from 2030 to 2020. Developing countries are to get less stringent targets.

Methyl bromide is widely used as a pesticide, particularly in the third world. *David Lascelles, Resources Editor*

Honda may build US plant

Honda is considering manufacturing minivans in North America, one of the fastest growing vehicle sectors.

The Japanese carmaker said no decision had been made on what kind of minivan Honda would make, where in North America it would do so and when production would begin.

Toyota has announced that it will start producing a minivan in the US in the spring of 1997. Most Japanese carmakers, including Honda, export their minivan models to the US. But the yen's appreciation has undermined the cost competitiveness of cars made in Japan and hurt the companies' profitability. *Michiyo Nakamoto, Tokyo*

■ Malaysia's state-owned Petronas oil company yesterday signed two gas and petrochemical deals, estimated at billions of dollars, with five foreign partners and a local company. One agreement was for the construction of a liquefied natural gas plant in Malaysia with Japan's Nippon Oil, US-owned Occidental LNG and Shell Gas of the Netherlands. The other was for the building of a $300m ($118.5m) vinyl chloride monomer plant, also in Malaysia, with locally-based Land & General and Japan's Mitsui.

Gas from the new project is expected to be taken up by traditional buyers Japan, South Korea and Taiwan and new markets in India, China and Thailand. *Reuter, Kuala Lumpur*

Figures on US jobs raise chance of rate cut

By Michael Prowse in Washington

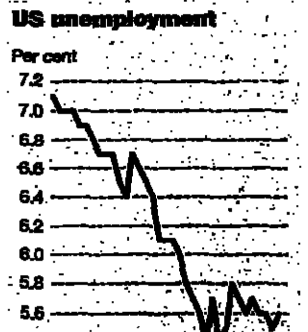
Speculation that the Federal Reserve will cut interest rates this month mounted yesterday following the release of lacklustre jobs figures.

The US Labour Department said the jobless rate rose to 5.6 per cent from 5.5 per cent in October. On Wall Street, bond prices rose sharply in early trading on hopes that the Fed would cut rates at its policy meeting on December 19 even if Congress and the White House had not agreed a deal to balance the federal budget. By midday, the benchmark 30 year bond was up $\frac{1}{16}$ to yield 6.04 per cent.

Many economists, however, believe the Fed will not ease rates without a credible budget deal and then by only a token quarter point, reflecting its concern that wage inflation could accelerate given the low jobless rate.

Non-farm payroll employment rose by 166,000, roughly in line with market projections. However, economists said job growth would have been under 100,000 but for technical factors including a lon-

US unemployment



Source: FT Extel

ger-than-average survey period and revised seasonal adjustments. Officials also revised employment data for October to show an increase of 66,000 rather than the 116,000 previously reported.

Manufacturing employment fell by 32,000, indicating many companies are paring production to reduce stocks of unsold goods. Service industries such as retailing and healthcare, however, showed significant job gains.

The data followed a series of weak indicators pointing to significantly slower growth this quarter than the annualised real rate of 4.2 per cent reported for the July-September period. Some economists are warning of the risk of recession next year if the Fed does not ease monetary policy.

The Fed cut the federal funds rate – the rate at which banks lend to one another – by a quarter point to 5.75 per cent in July. However bond yields have since fallen sharply reflecting greater optimism on inflation and projections of sluggish economic growth. Yields on Treasury securities of maturities up to 10 years are now below the federal funds rate, signalling that investors expect the Fed to ease policy in the near future.

● President Bill Clinton said speculation that he was leaning toward appointing Mr Alan Greenspan to a third term as Federal Reserve chairman was "very premature". Mr Greenspan enjoys the strong backing of both the financial community and the Republican-led Senate.

Japanese move closer to liberalising telecom market

By Michiyo Nakamoto in Tokyo

Japan's telecommunications authorities yesterday signalled a greater willingness to deregulate the country's telecoms market by indicating that, in principle, barriers between local and long-distance telecoms operations and between domestic and international operations would be removed.

Mr Issei Inoue, minister for posts and telecommunications, said measures employed by the ministry to restrict the entry of telecoms operators into one another's markets would be abolished.

The relaxation would, however, at this point only apply to carriers other than NTT and KDD, which are individually regulated by specific laws. Whether NTT, the country's largest operator, and KDD, the largest international operator, are allowed to enter each other's markets would be left up to the Telecommunications Council, an advisory panel to the minister which is deliberating the future status of NTT.

Japan is the only leading industrialised country which clearly separates domestic and international operations. At present, NTT and KDD are legally prevented from entering each other's markets, though both have indicated an interest in doing so.

The telecoms authorities say there are no legal restrictions on other carriers entering different market sectors. However, in practice, "administrative guidance" has prevented the free entry of operators into different sectors of the market. The ministry has broad authority to determine whether specific markets have room for new entrants.

Mr Inoue's remarks came as calls mounted for greater liberalisation in Japan's telecommunications market. A report published by a government advisory committee on Thursday called for bold deregulation of rules restricting entry into the market as well as a break-up of NTT to further competition in the domestic market.

The ministry's policy declaration drew cautious applause from the business community. "What the minister has said he intends to do is a dramatic move, if it is really put into action," said an official at the Keidanren, Japan's most influential business organisation. "It will make it easier for foreign companies to do business" in Japan, "which is something we really welcome."

BEIJING'S BOY CROWNED

Gyaincain Norbu, 6, presents a ceremonial scarf to Li Tieying, the Deputy of China's State Council or cabinet, after being enthroned as Tibet's Panchen Lama yesterday. China is pressing Tibetan Buddhists to accept its controversial choice for Tibet's second-ranking monk over one named by the exiled god-king, the Dalai Lama. A grand ceremony in the Tashilumpo lamasery in Shigatse city enthroned Gyaincain Norbu as the "soul boy" recipient of the spirit of the 10th Panchen Lama, who died in 1989. China's action left Tibetans with a stark choice between two Panchen Lamas: Beijing's boy and Gedhun Choekyi Nyima, also 6, named in May by the Dalai Lama, who lives in India and is accused by China of favouring independence for Tibet. Exiled Tibetan and human rights groups have expressed concern over the fate of Gedhun Choekyi Nyima, who is reported to have been removed from Tibet with his parents. China denies detaining the family. *AP, Beijing*

Red faces over a pink folder

By Angus Foster in São Paulo

A leaking of documents suggesting senior Brazilian politicians received illegal campaign financing in 1990 congressional elections has stirred a political crisis which threatens to delay approval of several important government measures due to be approved by Congress this month.

The documents purport to show many senior politicians were sent campaign contributions by a private sector bank and the national bank federation (Febraban). At the time, such campaign donations were illegal although widespread.

While the named politicians are unlikely to be charged, even if the contributions are proved, the list is an embarrassment for them. The central bank, seen by some politicians as responsible for the leak, has been harshly criticised, with calls for the resignation of its president, Mr Gustavo Loyola.

Central bank officials found the list among documents in a pink folder in the offices of Banco Econômico, put under central bank administration earlier this year after a liquidity crisis, and catalogues 42 politicians alongside coded numbers. Some analysts suspect the codes refer to payments, since other documents found in the pink folder include campaign cheques and receipts.

Among the named politicians are two ministers in Mr Cardoso's government, including Mr José Serra, planning minister. Mr Serra yesterday denied any involvement in the case and called for all documentation to be released publicly.

Two of Brazil's most powerful politicians, Mr Antônio Carlos Magalhães and his son Luiz Eduardo, were also named in the documents. Both come from the northern state of Bahia and were opposed to central bank intervention in Banco Econômico, also based in the state. Members of their Liberal Front party (PFL), part of the ruling coalition, are demanding the resignation of central bank directors they say are implicated in the case.

But Mr Cláudio Mauch, a central bank director, rejected the calls. "The directorate of the central bank does not leak documents," he said.

Brazil's election rules until recently banned companies and banks from making campaign contributions, even though nearly every politician received them.

South African unions threaten strikes over sale of state assets

By Roger Matthews in Johannesburg

South Africa's trades unions reacted angrily yesterday to the government's plans to speed the reorganisation of the state sector and seek minority equity partners for South African Airways and Telkom, the telecommunications company.

The Congress of South African Trade Unions (Cosatu) said it had heard the announcement by Mr Thabo Mbeki, the deputy president, with "shock and disbelief", and accused the government of reneging on a series of agreements.

"Any public enterprise which goes ahead with unilateral restructuring, with or without government approval, will feel the wrath of our members," said Cosatu. "We will also deal with those sharks who are attempting to colonise public assets as their own private property."

Union leaders are to see ministers on Monday, and warned yesterday that if there was not a change of attitude by the government they would consider mass action, including strikes.

The row marks the first serious rift in the political alliance between Cosatu and the African National Congress, which heads the government of national unity.

Mr Cyril Ramaphosa, secretary general of the ANC, yesterday praised the government's "consultative process" in seeking a common perspective on the future of state assets, but Cosatu said it had been totally ignored and was being asked "to rubber stamp someone else's agenda".

Cosatu leaders said that only a week ago they had agreed with the government that no state sector recommendations would be made without full consultation, and that a moratorium would be placed on restructuring until an overall policy had been accepted.

The cabinet decision to create a new sub-committee, chaired by Mr Mbeki, to push the process forward also reveals the frustration that has been building over the lack of enthusiasm shown by Mrs Stella Sigcau, the minister of state enterprises, particularly in regard to possible privatisation.

The cabinet has already decided the proceeds from any sales should be used to reduce official debt and to cut servicing costs which absorb nearly one in every five rands of government revenue.

With pressure on the budget mounting, the government appears to have decided that it must seek additional sources of revenue.

Telkom has long been regarded as a prime target for partial privatisation, and Mr Pallo Jordan, the minister for posts and telecommunications, said in February that it should consider taking a minority partner if it was to achieve its goal of installing 1m telephone lines in the next five years. The development of South African Airways, and the opportunities that exist for international expansion, have also marked it out as a ready candidate for a foreign equity partner.

Ministers will not say how much of either company may be sold, but an initial offering of 20 per cent has been mentioned. The government may also seek to appease the unions by including a share offering to employees.

The private sector has warmly welcomed the government's announcement. Mr Raymond Parsons, director general of the South African Chamber of Business, said the government move would help build confidence in its economic policy and provide new opportunities for private investment.

NEWS: UK

Hardship fund for Names to close in February

By Ralph Atkins, Insurance Correspondent

Lloyd's of London toughened its stance yesterday towards recalcitrant lossmaking Names by announcing the closure from next February of its "hardship" scheme, which allows the worst-hit to maintain a modest standard of living.

The move appeared aimed at marshalling Names – the individuals whose assets have traditionally supported Lloyd's – behind the market's recovery plan launched in May. If successful, the plan would, like the hardship scheme, offer all Names "finality" – a cap on their liabilities so they can leave the market.

But it is unclear whether, under the plan, Names would be able to obtain better terms than the benefits available through the hardship scheme. This allows joint disposable income of £17,500 ($26,950) a year and a modest house.

The decision was attacked last night by Names' groups, many of which fear that the £2.8bn funds available under the recovery plan for lossmaking and litigating Names will be insufficient.

Mr Robert Miller, of the Association of Lloyd's Members, said: "The ALM is suspicious and doubtful as to exactly what it means." Names had been victims of more than commercial misadventure and "we think that ought to be recognised". The closure of the hardship scheme could affect the 906 Names whose applications are being processed and which have to be agreed by the end of February. Fresh applications were halted last year although Names in negotiations with Lloyd's can still be referred.

Some 1,066 hardship proposals have been accepted since the scheme began in 1989. Subsequently the market has reported losses of more than £8bn.

Lloyd's said hardship was being withdrawn to clear the backlog of applications before implementing the recovery plan next spring – assuming approval by Names. Mr Philip Holden, head of financial recovery, said: "We can't settle problems with the whole market and still have a subset that gets particular benefits."

Lloyd's insiders said the move would stop Names deliberately delaying hardship talks and regarding the benefits available as a starting point. It also made clear that the recovery plan was the best option for Lloyd's and highlighted the grim outlook for Names if the plan failed.

A row also erupted over whether Names should try to prevent Lloyd's agents handing over rights to the reinsurance company, Equitas, which is intended to take over old liabilities and provide "finality" to Names as part of the recovery plan. The Names associations' working party fears Names are being steamrollered into accepting Equitas before it is approved by regulators.

Party chief sees risk of war in Europe

By George Parker at Westminster

Europe could be plunged into war within 20 years if protests on the streets of Paris are a harbinger of the death of economic and monetary union, Mr Paddy Ashdown, leader of the centrist Liberal Democrat party, will warn tomorrow.

In a cataclysmic interpretation of events in France, Mr Ashdown warns that the future of the continent is on a knife-edge. He predicts that if the French government is forced by public unrest to abandon economic reforms designed to pave the way towards EMU, the European project will quickly unravel.

"The future of Europe is now being fought out on the streets of Paris," Mr Ashdown says in an interview for BBC television. "If that drives the French government off course, monetary union – in the face of British scepticism – is unlikely to come about."

He insists that the abandonment of EMU would lead to the reversal of 30 years of European integration. "We will see the return of Europe to competitive states and – in my view – war, or at least conflict, either within the European borders or outside the European borders, within two decades," Mr Ashdown, as leader of Britain's most pro-European party, realises his views are unfashionable, but his enthusiasm for monetary union has not been dented.

He says nationalism is already evident in Germany and in certain elements of Britain's Conservative party. He argues that further integration, including EMU, is the only way of holding the continent together.

PM challenges Adams on IRA arms

By Robert Peston, Political Editor

Sir Patrick Mayhew (left) and Dick Spring held talks about the IRA in London yesterday

Mr John Major, the prime minister, yesterday urged Mr Gerry Adams to decide whether he is a peacemaker or a "straightforward spokesman for a terrorist organisation". Mr Adams is president of Sinn Féin, the political wing of the Irish Republican Army.

His attack came after the IRA had decried as "ludicrous" the UK's government's insistence that it should surrender arms as a precondition of Sinn Féin's participation in all-party talks on a constitutional settlement for Northern Ireland.

Mr Major said the IRA's refusal to give up before all-party talks was a "slap in the face to the hundreds of thousands of people in Northern Ireland and the republic" who in the previous week applauded President Bill Clinton's call for a lasting peace.

The governments of Britain and the Republic of Ireland moved quickly yesterday to prevent the IRA's statement from sabotaging their twin-track approach to the peace process. The approach consists of preparatory political talks and a review of the "decommissioning" of paramilitary weapons by an international body.

After a meeting between Mr Dick Spring, the republic's deputy prime minister, and Sir Patrick Mayhew, chief minister for Northern Ireland in the British government, the two governments urged Sinn Féin to co-operate with the international body, which will start taking evidence in Ireland next week. Mr John Bruton, prime minister of the republic, reminded Sinn Féin that it had "stated that they will speak authoritatively to the international body on the issue of IRA weapons". "The message of all those people to the paramilitaries was that their day was over and that now was the time to put away guns, give up violence forever and make peace", said Mr Major.

British government officials were taken by surprise by the IRA's statement, issued late on Thursday night. "Their timing is extremely puzzling," said an official. The IRA accused the British government of seeking to "frustrate movement" to all-party peace talks by erecting "an absolute barrier to progress with its untenable and unattainable demand for an IRA surrender".

Mr Adams said the British government's position on decommissioning "flies in the face of the international experience of conflict resolution".

Mr Tony Blair, leader of Britain's opposition Labour party, said he hoped the IRA's statement "does not stand, because if it does it puts a great difficulty in the way of the peace process which it is essential to overcome".

Two-tone £2 aims to foil forgers

By Our Political and Consumer Industries Staffs

The Royal Mint will introduce into general circulation by next autumn a two-tone £2 ($3.08) coin and a smaller 50p piece, Mr Kenneth Clarke, the chancellor of the exchequer, announced yesterday. Apart from commemorative issues, it will be the first £2 coin and the highest-denomination British coin of modern times.

A higher-value coin will be part of a world-wide trend, said Mr Tim Waite, head of research and development at Mars Electronics International, the vending machine subsidiary of the chocolate maker. More valuable than a £2 coin are SwFr5, DM5 and FFr20 pieces.

The £2 coin, broader and heavier than the present £1, will have a light-coloured centre and a gold-coloured outer ring. The design is yet to be settled, with the task of choosing the tails-side motif being left to a committee chaired by Prince Philip, the Queen's husband.

The new 50p piece, retaining the distinctive seven-sided shape, will be only slightly smaller than the current coin but markedly thinner.

The £2 coin was welcomed by makers of vending machines, who said it would encourage retailers to stock more expensive items in machines while the dual-metal composition would make forging harder. The number of fake £1 coins has risen in recent years.

Names suggested for the new coin yesterday included twinge, disco, cupla, doubloon and kilo (two pounds in weight is equivalent to almost 1kg).

Beef prices plunge in 'mad cow' scare

By Deborah Hargreaves in London

Prices of beef cattle plunged by £100 ($154) yesterday at one of Britain's main auction markets where prime bullocks sold for less than £600 each following scares about "mad cow disease".

Mr Tim Brassington, chief auctioneer with Whirledge and Knott at Chelmsford in eastern England, said he had struggled to sell half of the 200 beef cattle he would normally sell at this time of year. "It is the worst thing I've ever seen in my 30 years as an auctioneer," he said. "Last time the scare came in the middle of the summer, but now it's the height of the beef season."

Meat sales are usually high in the run-up to Christmas, but there are signs that consumers are turning to other meats such as lamb and pork. Mr Brassington said that lamb prices increased by 5p per kg and pig prices by 10 to 15p per kg at yesterday's auction.

The Sainsbury and Tesco retail chains, the largest in Britain, said beef sales had dropped off in the past week, but not by a significant amount. Britain's Meat and Livestock Commission has already noted a decline of 5 per cent in beef sales and expects them to drop further.

"It spells disaster for a lot of farmers who produce beef specifically to sell this week and next," said Mr Jim Watson at Midland Marts, one of the UK's largest auctioneers.

Farmers were concerned about the latest scare over bovine spongiform encepalopathy and were bitter about what they see as a media hype. "It's scaremongering of the worst kind," said Mr Martin Burtt, a Yorkshire livestock farmer. "We wonder if there is someone out there who is out to get this industry."

The latest scare over BSE comes as scientists publicly dispute whether it is safe to eat beef. The government has repeatedly tried to reassure the public that British beef is safe to eat. A growing number of municipal authorities have said they will stop using beef in school meals.

Joe Rogaly, Weekend FT, Page I

UK NEWS DIGEST

Satellite TV operator claims 5m customers

British Sky Broadcasting, the satellite television operator which is controlled by Mr Rupert Murdoch, claimed yesterday it now has a total of 5m customers. The total covers people who watch BSkyB channels in Britain and Ireland, on cable and satellite and in pubs and clubs. Mr David Elstein, BSkyB director of programmes, said yesterday that the 28 Sky channels now reached more than 20 per cent of the British television audience. On Thursday night Mr Elstein announced that more channels were on the way – including an arts channel, an educational channel, a games channel and a computer channel. BSkyB said yesterday it was spending £120m ($184m) on its winter schedule.

Meanwhile UKTV, one of the losing bidders for Britain's Channel 5 broadcast franchise, was last night considering an appeal against a High Court refusal to allow a full judicial review against the Independent Television Commission decision. Mr Justice Dyson refused the consortium, led by CanWest Global Communications of Canada, permission to go to judicial review. Both Virgin Television and UKTV were failed on the grounds that they did not meet the "quality threshold". *Raymond Snoddy, Consumer Industries Staff*

Export information review set

The British government is to mount a review of its export intelligence service to make it more relevant to small and medium-sized companies. The Labour opposition has been pressing for reforms to the service, which it claims spends its time producing "large and generalised reports" of use mainly to large companies.

The EIS is an arm of the Department of Trade and Industry, and gathers information on new selling opportunities abroad. The information is processed into report form by Prelink, a private sector company. Most small companies pay an annual subscription to Prelink of £250 ($385), but Labour trade spokeswoman Mrs Barbara Roche claims they do not get a good deal. "The DTI has the resources to provide the necessary information, and I find it astonishing they choose to help large firms at the expense of small firms." *George Parker, Westminster*

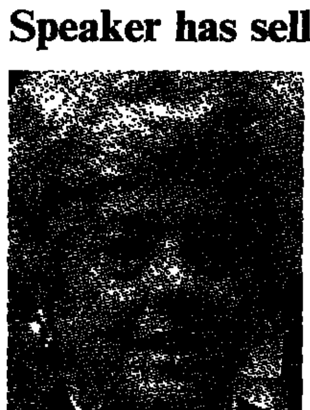
Order for military satellite

Matra Marconi Space is set to win a £100m ($154m) order to build a military satellite for Britain's Ministry of Defence. The Skynet satellite will provide communications for UK armed forces operating in theatres ranging from the Falklands to the Middle East. MMS is already building two new generation Skynet satellites, worth £300m, and will be the prime contractor for building and launching the satellite. *George Parker*

Unions win legal ruling

The High Court yesterday granted a judicial review to three trade unions of the UK government's regulations requiring employers to provide employee representation in cases involving the European Union's acquired rights directive over the transfer of business ownership and collective redundancy directive. The unions – the GMB general union; Unison the public service union and the NASWT teachers' union – are challenging the government's guidance in three areas. These involve the decision to exclude employers where fewer than 20 employees are made redundant which accounts for 96 per cent of redundancies; to allow employers to choose which employee representatives to consult with; and not apply the regulations over dismissal after business transfer to employees with less than two year's service. *Robert Taylor, Employment Editor*

Speaker has sell-off 'concern'



Serious reservations about the government's proposal to privatise the Stationery Office (HMSO), printer of all government documents, have been expressed by Miss Betty Boothroyd, Speaker of the House of Commons. In a letter to Mr Tony Newton, leader of the House, Miss Boothroyd said she had "concerns about the possible consequences both short- and long-term of privatising a public sector organisation which has in general given good and reliable service to the House". Pointing out that the printing of Hansard, the daily record of debates, and other parliamentary business was "particularly vital to the House of Commons", she said HMSO's overnight printing facility in inner London was "a costly facility". There must be some anxiety, she said, "that a private sector owner would be tempted to experiment with cheaper methods."

She urged Mr Newton to prevent "fragmentation of the organisation or sale to an overseas buyer" because this "could pose serious, perhaps unacceptable, problems for the House". Her intervention comes when her role has come under unusual scrutiny, following allegations from Tory MPs that she favours Labour in the way she manages parliamentary debates. *Robert Peston*

Store wars on the cards

Tesco, the UK food retailer, has found its Clubcard loyalty scheme gaining favour in unlikely places: rival retailer Asda is offering to redeem the money-off vouchers issued by Tesco to card holders in its own stores.

Tesco has written to the watchdog Advertising Standards Authority complaining that newspaper adverts for the Asda offer, running in seven UK stores, unfairly exploit the goodwill attached to the Tesco brand name. The authority has the power to ban the adverts, but Tesco admits it can do nothing to stop Asda accepting the vouchers. Unabashed, Asda said its Clubcard promotion was so successful it was considering extending it. *Neil Buckley, Consumer Industries Staff*

Deadlock persists on telecoms charges

By Alan Cane in London

Telecommunications operators in the UK face a further period of commercial uncertainty after Mr Don Cruickshank, the industry watchdog, said he had been unable to agree important price changes with British Telecommunications.

Mr Cruickshank had been expected to announce yesterday the charges BT's competitors have to pay in the current year for connection to BT's network for the transmission or delivery of calls. The announcement had already been delayed from September 30. He said, however, the determination would be delayed until January next year after BT disputed the basis of his calculations.

Because BT operates the only universal network in the UK, virtually every call passes through some part of its network. The charges operators pay to BT for this make up a large proportion of their operating costs and are therefore critical to their commercial strategies.

The delay in announcing new charges will be especially serious because BT has refused to send final bills to its competitors for the years 1992-93 to 1994-95 until the issue is settled. Mr Cruickshank, director-general of telecommunications, said he regretted the delay, recognising that continued uncertainty was undesirable.

The dispute has arisen over the costs included in the calculation of interconnection charges. Mr Cruickshank proposed to exclude costs such as vacant accommodation, the chairman's office, redundancy, restructuring and pensions.

Mr Cruickshank said that rival operators should not be paying BT's redundancy costs: "the costs of BT's past inefficiency or for a programme primarily intended to enhance retail profits".

'Wrong snow' again halts trains

By Hugh Clayton in London

Chaos on the railways in snow is becoming an English tradition almost as venerable as the changing of the Guard at Buckingham Palace or the rediscovery of the Beatles. The expression "the wrong type of snow", used by a railway official to explain winter chaos about five years ago, has entered popular folklore.

Complaints about the railways go back a long way. The Financial Times reported in December 1895 that customers of the London, Chatham and Dover Railway had convened a meeting to "protest at the habitual unpunctuality of the trains." After a long and lively debate, the paper reported, "the chairman declared the votes 'about evenly divided' and the meeting dissolved in uproar."

The London, Chatham and Dover has long since disappeared into the national state network, but the lines which were built by the company in the southern county of Kent remain, and have been among those worst affected by this week's harsh weather. The "wrong type of snow" has fallen again.

Trains have been cancelled, lines have closed and the City of London has again been vexed by the failure of the state-owned railways to bring its workforce to their offices on time. Yet the snow which has caused all the trouble has seldom reached a depth of more than 10cm.

The disruption is being blamed on the "third rail", a system that was revolutionary when electric trains started to supersede steam traction during the First World War. Instead of gaining their power from overhead cables, trains in much of southern England still use pick-ups that slide along a third rail laid alongside the track.

More recent electrification schemes elsewhere in Britain use overhead cables.

De-icing fluid was sprayed at night on "third rails" all over the south, but the temperature fell soon afterwards, and rain washed the fluid away.

By the time the trains were ready to start in the morning, the temperature had dropped again, the "third rails" were again coated with ice and the trains were starved of power.

Slow train coming, Page 9

An attempt to halt rail privatisation because minimum service standards had been set too low was rejected yesterday by the High Court in London. Mr Justice Macpherson ruled that the franchising director, Mr Roger Salmon, had not acted unlawfully in setting service levels for the soon-to-be privatised train operating companies.

The Save our Railways pressure group, which brought the legal action, said it would appeal against the ruling on Monday.

The judgment removes the last serious obstacle to the sale of the first three train operating franchises which are expected to be announced on Tuesday. The judge said it was never intended that the starting point for franchising should restrict Mr Salmon to the "straitjacket" of the present timetables, he added.

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Laporte shares drop 22% after warning

By Motoko Rich

Laporte lost nearly £330m of its market value yesterday as the speciality chemicals company warned that 1995 profits would *fall 10* per cent below last year's mark.

It also announced £85m in exceptional charges for restructuring and asset write-downs.

The shares plunged 22 per cent from 783p to 610p.

After only nine weeks as chief executive, Mr Jim Leng, former *chief of Low &* Bonar, the packaging group, announced an aggressive rationalisation plan and said he was introducing "greater disclosure" within the company.

He said the forecast decline in pre-tax profits – last year they rose to £123.5m (£107.4m) – was prompted by a downturn in some of its markets, including construction, bulk polymers and water technology. Trading conditions in Australia and South America were *also poor.*

City analysts, who had been expecting 1995 pre-tax profits to rise to £140m, were shocked at the severity of the warning. "They have given no past indication that the pressures on trading have been anything like this", said one analyst. "I accept trading conditions are difficult but I am amazed profits are falling this much."

Mr Leng, who was chief executive for only five weeks when Mr Ken Minton, chairman and former chief, retired, said the £85m exceptional charge would include £50m for restructuring, £30m for asset write-downs and £5m on the write-back of goodwill following four disposals made in 1995.

The company is likely to close about 10 per cent of its near 100 plants, cutting hundreds of jobs.

Mr Leng said the cash element of the exceptionals was £30m, which would be paid for by disposals and property sales. It is understood the group is considering disposing *of about* 20 *per cent of its* businesses.

The group said profits would be further depressed by a £2.3m reduction in pension credits and £1.5m in non-trading revenues resulting from the group's 1993 withdrawal from a joint venture with Solvay, the Belgian chemicals company.

Interest charges would rise by £5m following an £80m capital expenditure programme and £90m spent on acquisitions during the year. Net debt would be £190m, giving year-end gearing of about 60 per cent and interest cover of around eight times.

One analyst, who scaled *back his* 1995 *pre-tax forecast* to £112m said: "I do not think that all of the fall in profits relates to a sudden downturn in the third quarter. There is obviously an element of clearing the decks."

Mr Leng and his wife yesterday purchased 5,800 shares each at 628p to deposit into their Pep accounts.

Forte forecast at top of City expectations

By Scheherazade Daneshkhu, David Wighton and Raymond Snoddy

Brendan Corr

Keith Hamill, left, with Sir Rocco Forte and Sir Anthony Tennant, deputy chairman

Forte, the hotels company *fighting off a £3.3bn hostile bid* from Granada, yesterday issued a defence document forecasting a 46 per cent rise in underlying pre-tax profits to £185m in the year to January 31 1996. This was at the upper end of analysts' forecasts.

It said that under new management, put in place by Sir Rocco Forte since he became chairman in 1992, the company's profits had trebled and cashflow had been rebuilt.

Sir Rocco said the bid, launched over two weeks ago by *Mr Gerry Robinson,* Granada chief executive, was inadequate: "Coming at an early stage of the cyclical upswing, it is an attempt to acquire on the cheap the value the new management team is creating."

Forte's less-than-sparkling share price performance had been because "the market has not understood the general situation in relation to cyclical recovery and the potential of our performance – Mr Robinson has".

Sir Rocco once again urged shareholders to reject the bid which he said had "no commercial logic".

On Tuesday, Granada shareholders will meet to vote on whether the bid should go ahead. The company said it expected "overwhelming support" from shareholders.

It also dismissed yesterday's 11p fall in its shares to 634p. "Share prices always fluctuate during a bid," it said.

Analysts pointed out, however, that excluding the 7.9p final dividend, the shares are now close to 625p, the level at which £1.8bn of Granada shares have been underwritten to provide the cash alternative. "Were the offer to be raised, the underpinning might have to be at a lower price, further increasing the cost to Granada," said one analyst.

Mr Keith Hamill, Forte's finance director, said it was time to destroy the myth that hotels did not generate cash. Operating cashflow was recovering strongly and would "comfortably" exceed dividend payments after £175m of investment in capital programmes. The hotels business this year was generating net cashflow of more than £100m.

Forte said the option of selling *hotel* properties while retaining management contracts was fast becoming an attractive one as the hotel market strengthened.

The company, which announced plans earlier this week to demerge its restaurant business into an independent company, said it intended to do so by the middle of next year.

Granada's Mr Robinson said he was "deeply underwhelmed" by the Forte defence document. "We had a team of people standing by to respond. They've gone. There's nothing weighty to respond to." He added that Sir Rocco had concentrated on the company's performance since 1992 when he took over the chairmanship.

"He was chief executive for 12 years before that," said Mr Robinson, adding thataction could have been taken to improve the Little Chef chain before now.

Granada also argued that Forte's profit forecast was slightly below market expectations of six weeks ago and that in the document little was said about the capital structure of the Forte de-merger plan.

Granada decided against rushing out a formal statement to shareholders last night but will be sending an analysis of the Forte position to them in the next few days.

See Weekend, page XXIII

Rising input costs cause chain reaction

Speciality chemicals companies are seeing results hit by a number of problems. Motoko Rich reports

Yesterday's profit warning from Laporte, the speciality chemicals company, may have confounded analysts with its severity.

But in industry terms, it confirmed what other companies have been saying: trading conditions have deteriorated throughout 1995.

Whether it has been weak underlying demand, rising raw material prices or destocking as customers run down stocks acquired as an insurance against these increases, the news has not been particularly *good for the speciality sector.*

Earlier this week Allied Colloids blamed swingeing raw materials price rises for a 16 per cent decline in interim pre-tax profits. And BTP, although reporting higher interim profits, said raw materials price rises led to a 38 per cent profit slump in its adhesives and textile coatings business.

Last month, Courtaulds, one of the sector's largest companies which this week announced a management reshuffle, said sharp variations in bulk chemicals prices caused a 16 per cent decline in pre-tax profits.

Commodity prices began climbing in the second half of 1993 and early part of 1994 following a worldwide upturn in demand and a simultaneous squeeze on supply.

As raw material prices rose, manufacturers tried to pass on some of these increases but sluggish demand has meant that those close to the retail chain have found it difficult to push through substantial increases.

Mr Philip Lowe, chairman of Yorkshire Chemicals, which makes textile dyes, said: "In the markets we service our customers have not been prepared to consider an increase *in price." Companies which* have raised their prices have risked damaging demand. Courtaulds, for example, said that passing on raw material costs had dented sales volumes by pricing its fibre products "out of the market".

"If you push your price too high to get your margin up to 15 per cent, you could lose your business, and 15 per cent of nothing is nothing," said Mr Gordon Senior, finance director at Allied Colloids.

Underlying demand in many developed economies, particularly Europe and the US, has also been weak, as have the construction, housing and furniture markets . This has affected companies like Laporte, which makes chemicals for the construction industry, Yorkshire Chemicals, which sells its dyes to the housing and furniture industries and British Vita, which makes foam products, also used in furniture.

Many companies are now reporting that raw materials prices have flattened, and in some cases, have fallen dramatically. Mr Senior said the price of methanol, one of the group's main raw materials, rose from a base index price of 100 to 450 and came back down *to 100 between late 1994 and* the present.

"We believe prices have peaked," said Mr Senior. "Some are definitely on the downward trend."

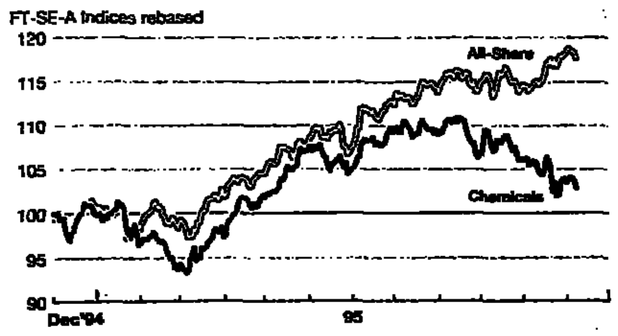
While this may provide some relief, customers, seeing the fall-off in input costs, could demand price cuts of their own. "So just as the chemical groups are starting to recover their own margins they may have to cut prices and could lose margins that way," said an analyst.

Another consequence of the recent raw material price surge is that customers are destocking the products they bought as prices were rising. "Destocking has been the single biggest factor affecting the third quarter performance of chemical companies," said an analyst. "The customers have simply disappeared."

However, according to Mr Richard Freeman, chairman of the Chemical Industries Association economic committee, "destocking is coming to an end and we should start to see markets pick up around now and into the new year."

He added: "It has been a remarkable year, with its ups and downs, and some slow recovery is beginning to show through."

UK chemicals



Source: FT Extel

A tireless friend returns in time of need

By David Blackwell

If Forte succeeds in fighting off the Granada bid, Mr Roberto Mendoza of JP Morgan will be able to claim that he has twice ridden to the Forte family's rescue.

Mr Mendoza has been brought in as "strategic adviser" by Sir Rocco Forte. The two were boyhood friends at Downside, the Catholic boarding school near Bath, and were also together at Oxford. In 1971 he played a crucial role in helping Lord Forte fight off the bid from Allied Breweries. Lord Forte needed to borrow £2m over a weekend, and was able to get hold of the bank's chief executive through his son Rocco's friend.

Lord Forte wrote in his autobiography: "Admittedly Mendoza did some very good business for himself that evening. But I was still flattered by his prompt answer to my request."

Mr Mendoza, the son of the former Cuban ambassador to London, was born in Havana in 1945. He joined Morgan in 1967 after graduating in history from Yale.

After five years he left to take an MBA at Harvard Business School, but returned to the bank, where he rose rapidly. Between 1985 and 1990 he was in charge of Morgan's mergers and acquisitions division.

Mr Mendoza, vice chairman and a director since 1990, is credited with driving the US commercial bank's inroads into investment banking. Morgan is among the top 10 investment banks in Europe and has had a particularly good year.

He appears to have survived the Banesto affair without much damage to his reputation. He was responsible for the bank's $16m (£10m) investment in Banesto, Spain's fourth largest bank. At the end of 1993 the Bank of Spain took control of Banesto to prevent a run on its deposits. Mr Mendoza had been on the board only a few months.

Mr Mendoza, once an amateur boxer, stays shy of publicity. Those who know him say he is tireless in pursuit of his clients' objectives, and has a good grasp of the overall strategic picture in any campaign.

He will be working with a cluster of advisers from SBC Warburg, Morgan Stanley, UBS and Cazenove. Forte yesterday denied that it was calling on too many advisers, describing its defence team as "the best brains around".

"We welcome lots of advice and ideas," it said. "We are taking the minimum number of people out of the frontline business because we see big opportunities for profits."

Amec pins hopes on profits surge

By Andrew Taylor, Construction Correspondent

Amec, the UK construction group, yesterday pinned its hopes of remaining an independent company on prospects of a big pre-tax profits rise in 1996.

The British group, which yesterday published its defence document, is facing a £360m hostile bid from Kvaerner, the Norwegian shipbuilding and engineering group.

Amec also signalled that it would be prepared to sell its UK housebuilding subsidiary when the housing market improved, and take steps to reduce the large number of its preference share holders.

Its principal defence against Kvaerner's offer of 100p for each ordinary share, however, is that the bid terms undervalue the profits recovery potential of its offshore oil and gas fabrication division.

Figures in the defence document imply that group pre-tax profits next year could rise to £35m-£40m without any underlying improvement in Amec's various markets. The group is forecasting unchanged pre-tax profits of £20m in the current year.

The document says profits this year will be held back by £11.6m of costs associated with problems on the Tiffany oil platform contract which were finally resolved in September.

Profits will also be reduced by a £8.9m loss at the Newcastle offshore fabrication facility, which Amec says should return to profit next year following the recent signing of a new labour agreement which will reduce costs at the yard by 30 per cent.

The absence of further Tiffany costs and a return to the black at Newcastle would lift profits to approaching £40m, assuming a neutral performance by the rest of the group's businesses.

Mr Peter Mason, who currently heads Balfour Beatty, the construction arm of BICC, and who next year joins Amec as chief executive, said: "The offer from Kvaerner is inadequate and takes no account of the recent rationalisation and improvements which have been paid for by Amec shareholders and who will not be able to reap the benefit if this bid succeeds."

Kvaerner, which has criticised Amec's management for failing to meet previous forecasts, said the British group's weak balance sheet would continue to hinder its efforts to win a greater share of international construction and engineering work.

Dividend payments to Amec ordinary shareholders had not been increased since they were cut by two thirds in 1992, said Mr Erik Tonseth, Kvaerner's chief executive.

NRA head to join Yorkshire Water

By Christopher Price

Yorkshire Water, the embattled utility, yesterday appointed Mr Kevin Bond as managing director of its main water operations business.

Mr Bond is currently chief executive of the National Rivers Authority and his appointment might be seen by some as an attempt by Yorkshire to bolster its image at a time when it is under pressure over water shortages in its area. He will take up his post in April.

Ms Margaret Stewart, director of corporate affairs, denied Mr Bond's appointment was a result of the public criticism – aired most recently in last week's BBC Panorama – of the group's provision of water supplies. "The appointment is part of a management restructuring programme which was started two years ago," she said.

Mr Bond succeeds Mr Tony Ward, who is to retire. The running of the water business, Yorkshire Water *Services,* involves supplying water and sewage services to 4.5m customers and overseeing the company's £1.5bn five-year investment programme.

Devro outlines Teepak funding

By Geoff Dyer

Devro International, one of the world's leading producers of sausage casings made from collagen, outlined yesterday its funding plans for the $135.5m (£88.5m) acquisition of Teepak International, which was originally announced in March.

Scotland-based Devro had been waiting for Wednesday's clearance from the US Federal Trade Commission for the purchase of Teepak, a privately-owned US meat casing manufacturer.

The acquisition, which will *treble the group's turnover,* stems from Devro's strategy to expand its activities in casings, rather than develop more collagen products.

In line with its initial plans, Devro intends to raise £31m to fund the cash part of the acquisition from a placing and 1-for-10 open offer at 230p, underwritten by Charterhouse Bank.

Devro's shares closed yesterday up 12p at 251p.

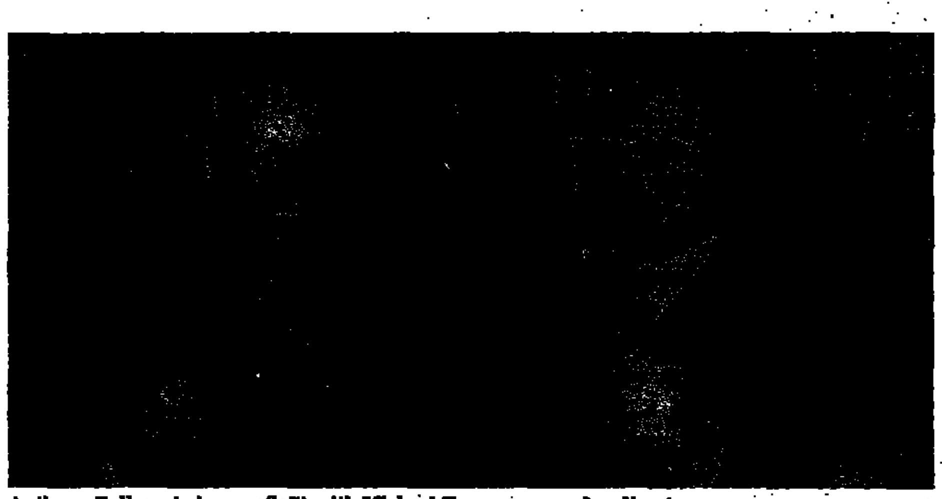
Teepak's owners, Hillside, a group owned by Mr John Irwin III, will also receive 10.4m ordinary shares and $52.3m of convertible preference shares.

Devro has arranged a £120m debt facility with First National Bank of Chicago to refinance Teepak's debt and to provide working capital.

In the year to September 30, Teepak increased pre-tax prof*its to £20.1m (£13.9m) on sales* of £229.4m (£212.5m).

Mr Graeme Alexander, Devro's chief executive, said that group sales had continued to increase since the year-end.

Fullers' free trade flavour



Anthony Fuller, chairman, (left) with Michael Turner, managing director.

By Roderick Oram, Consumer Industries Editor

Fuller Smith & Turner, the west London brewer, reported a 22 per cent rise in interim pre-tax profits from £4.15m to £5.08m reflecting sharply higher free trade and take-home sales.

Against a national beer market up about 2 per cent, Fuller's beer production rose 8 per cent despite some switch to lager *during the summer.*

Free trade barrelage rose 17 per cent to account for about 55 per cent of total volume. Of the free trade, take-home sales more than doubled as the company *began to build* up a *line* of business it had allowed previously to languish.

Exports, mainly to the US, were down 28 per cent because of shipment delays.

Profits from its own pubs were up 14 per cent, from free trade by "substantially more" than 17 per cent, and from hotels by 73 per cent.

The USM-traded *group is* expanding its pub estate through at least six new sites south of the Thames, subject to planning and licensing consent. It added six pubs in the previous financial year.

Turnover from continuing operations in the six months to September 30 rose 12 per cent to £44.3m and strong cash flow helped reduce gearing from 3 per cent to 1 per cent. The pre-tax line included a £50,000 gain on property disposals against a loss of £41,000 last time.

Earnings per A share were *13.89p (11.66p). The interim div*idend is raised 10 per cent to 2.92p.

Self Sealing Systems for Aim

Self Sealing Systems, which has developed a technique to make self-sealing latex balloons, is coming to the Alternative Investment Market in a £1.2m placing.

Turnover, which this year will be about £16,500, is forecast to increase to £4.1m within three years. Losses of £1m this year are forecast to turn into profits of £2.2m during the same period.

The company intends to sell and license machines – which convert ordinary balloons into *self-sealing products* – to established manufacturers and distributors.

Singaporean stake sale helps Courts to £8.87m

By Patrick Harverson

Courts, the furnishings retailer, reported a sharp rise in interim pre-tax profits, helped by the proceeds from the sale of part of its stake in a Singapore subsidiary.

Despite the sale, the group said it was committed to further expansion overseas.

Net profit of £4.81m on the disposal lifted pre-tax profits from a restated £5.05m to £8.87m in the six months to October 1.

Excluding *the exceptional* credit, however, profits fell almost 10 per cent to £4.06m on turnover of £137.2m (£124.3m).

The results were better than expected and the shares edged up 10p to 748p.

Courts said the pattern of trading in the first six months – healthy growth of overseas business but poor growth in the UK – was likely to be repeated in the second half.

However, the group said there was still potential for recovery and expansion in the UK market, and it had already noted signs of a slight improvement in domestic trading in the early months of the second period.

Weak demand in the UK lowered turnover 2.4 per cent from its 87 stores to £52.1m. Expansion at home is planned for next year, with new outlets being opened in several UK cities plus one in Dublin.

Overseas turnover, buoyed by particularly strong growth *in south-east Asia,* jumped 20 per cent to £85.1m, or £93.6m if the contribution from associate companies in Guyana, Trinidad and Indonesia are included.

The recent purchase of the outstanding 50 per cent interest in the Guyana operation meant that in future the business would be treated as a wholly owned subsidiary.

Earnings per share were 20.89p (11.1p), or 4.87p excluding the exceptional credit. The interim dividend is increased to 2.1p (2p).

Country Casuals resilient

By David Blackwell

Shares in Country Casuals, which this week successfully fought off a hostile 140p a share cash bid, closed yesterday at 137p.

The price compares with 115p at the beginning of October just before the £26.8m bid was launched by Mr John Shannon, a former chief executive of the women's wear group.

Mr Shannon remains the biggest shareholder with 18.8 *per* cent. During the battle for the company he offered to sell his shares at 140p if his bid failed.

Ms Penny Freer, small companies analyst with Credit Lyonnais Laing, said that shareholders were more comfortable with the stock following the information flushed out from Country Casuals by the offer.

The group yesterday said that like-for-like sales at its core brand shops were 13 per cent higher in November.

A fuller indication of the group's performance in the year to January 27 will be made in a new year trading statement.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends: Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Courts	6 mths to Oct 1 ★	137.2	(124.3)	8.87♥	(5.05♥)	20.89	(11.1)	2.1	Apr 12	2	-	7.125
Crown Eyeglass §	6 mths to Sept 30	4.47	(3.45)	0.365	(0.336)	15.3	(14)	4	Jan 9	3.5	-	10.5
Fuller Smith §	6 mths to Sept 30	44.3	(42.8)	5.08	(4.15)	13.88	(11.66)	2.92	Jan 18	2.65	-	8.375
LBMS §	6 mths to Oct 31	12.4	(11)	0.498♠	(3.28L♠)	1.8	(13.7L)	nil	-	nil	-	nil
Ransomes	Yr to Sept 30 #	180.2	(131.6)	9.22♠	(6.11)	3.6	(1)	nil	-	nil	nil	nil
Swan (John)	6 mths to Oct 31	0.888	(0.778)	0.279	(0.193)	31.1	(21.6)	-	-	-	-	18
Syltone	6 mths to Sept 30	25.7	(20.9)	1.75	(1.41)	6.17†	(4.76)	1.8	Feb 9	1.71	-	5.3
Tams (John)	6 mths to Sept 30	13.3	(12.2)	0.314	(0.563♠)	0.79	(1.5)	1.6	Jan 11	1.6	-	4.01
Unidare ♣	Yr to Sept 30	151.5	(170)	8.14♥	(1.46L♠)	31.8	(6.32L)	12.26	Mar 15	9.8	16.86	14.3

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Brazilian Smaller ☆	6 mths to Sept 30	†43.3	(187)	0.778	(0.397L)	1.24	(0.64L)	-	-	-	-	nil

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ★Comparatives restated. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. §USM stock. #Comparatives for nine months. ♣Irish currency. ☆US currency.

COMPANIES AND FINANCE

Contemplating a future beyond asbestos claims

Tim Burt on T&N's battles through the courts

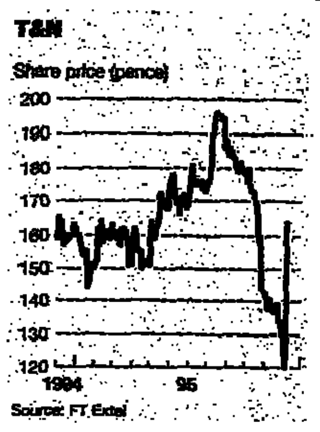
The long distance call came through just as the directors of T&N were about to start dinner with their bankers at London's Stafford Hotel. Mr Colin Hope, T&N chairman, answered the phone knowing the news from New York could determine the company's City reputation and financial future.

After eight years of legal struggle with Chase Manhattan Bank, he learned that a US jury had decided T&N had not defrauded the bank by supplying asbestos knowing that it was a potential health hazard.

Yesterday T&N's shares closed up 35p at 165p, having touched 175p at one stage, and recovering some of the ground lost amid City fears that T&N would never fully escape its past as the world's largest asbestos producer outside the US. That legacy, which prompted thousands of personal injury claims and property actions, has cost the group some £300m in out-of-court settlements in the past 10 years.

Victory over Chase and the dismissal of the bank's $185m (£117m) lawsuit could signal the beginning of the end of those liabilities. For Mr Hope it also justified the strategy of expanding away from asbestos into specialist engineering, thereby generating enough profits to meet outstanding asbestos costs.

T&N was almost alone in pursuing such a course. Many of the world's other large asbestos producers – including Eagle Pitcher and Johns Manville – filed for bankruptcy when the full potential of the asbestos costs became clear.



Source: FT Extel

T&N, which still mines asbestos in Zimbabwe and continues to sell the product in east Asia, says there would have been no compensation payments had it opted for receivership rather than trading away from the problem.

That all sounds laudable. But the cost to investors has been high. In the past year they have seen T&N's shares fall from 197p to 119p. In addition their holdings have been diluted by a series of rights issues to finance acquisitions – deals that helped the company establish a steady stream of non-asbestos earnings.

The costs to some of T&N's employees have been higher still. According to evidence brought by Chase Manhattan, hundreds of employees contracted asbestosis and mesothelioma from being exposed to asbestos dust. Solicitors acting for residents near the group's former asbestos factory at Armley in Leeds claim that health risks were shared by the neighbourhood.

Crucially, however, T&N says a recent High Court judgment showed it could not have been aware of the dangers and had a duty of care only to its own employees. If so, its future liability in the UK should not exceed about £5m a year for the foreseeable future.

In the US, meanwhile, the group has secured an important class action agreement fixing the level of payments to alleged asbestosis victims. The so-called Georgine settlement should further reduce the group's liabilities over the next five years.

Mr Hope, nevertheless, remains cautious. The Georgine settlement is the subject of an appeal and the group still expects further personal injury claims in the UK. But success against Chase, which may yet decide to appeal, could be the last multi-million dollar suit that the company has to tackle.

However, the full benefits will not emerge for at least two years. Profits this year and next are likely to be dented by £50m of asbestos-related costs. After that, all being well, T&N should see the drain on its balance sheet begin to fall away.

That would free the group to concentrate on its profitable engineering businesses, which underpinned increased first-half operating profits of £120.1m ($90.2m) and offer the prospect of rebuilding shareholder value.

"We now believe we are over the peak," says Mr Hope. "T&N is not saying asbestos is finished, but we now have a great deal of confidence that the worst is behind us."

Insurers have reason to cheer

By Ralph Atkins, Insurance Correspondent

For insurance companies, which have over the years borne the cost of US and UK asbestos-related claims, T&N's victory against Chase Manhattan Bank's $185m legal suit was reason to cheer.

"It is important psychologically because the numbers in such cases are so big. It is important that they are seen to be defendable," said an insurance executive. "It must come as a welcome relief to Lloyd's Names, although I don't know if they were involved in this case."

Mr Robin Jackson, chairman of the London market asbestos working party said: "It sends a message that, just because the word 'asbestos' may be used in the litigation, it doesn't guarantee you success."

Beyond the immediate sighs of relief, however, it is unclear whether the latest ruling will have much affect on the overall liabilities insurers have faced from asbestos and related diseases.

The Chase case was to some extent a "one-off" because it was about property damage: Chase claimed T&N was fully aware of the potential dangers of asbestos when it installed the material during the construction of Chase Plaza.

T&N's insurance cover was also limited. At the same time, the policy claims more worrying to insurers are those from damage to individuals, rather than property.

Such claims have been a bane for many years, prompting insurers to increase reserves. In the US, thousands of cases have been settled in mass trials or out of court. To that extent asbestos liabilities are regarded by the stock market as a known quantity.

A study led by Professor Julian Peto of the Institute of Cancer Research, stated that the UK had an epidemic of asbestos-related disease that would kill 3,000 this year.

Electricity groups set to pay special dividends

By David Wighton

East Midlands Electricity and Southern Electric are expected to announce special dividends for shareholders totalling up to £400m ($615m) when they report their half-year figures next week. Analysts expect East Midlands to reveal a special dividend of about 100p per share with some predicting a similar payment from Southern.

Other regional electricity companies have already announced about £600m of special dividends after agreement in principle on the £3.5bn demerger of the National Grid, the electricity distributor which they currently own. The Grid owns the main transmission network in England and Wales.

The groups yesterday received formal approval from their shareholders for the demerger to go ahead. More than a million private investors will now get shares in the Grid, which start trading on Monday. The price of the companies' shares will fall to reflect the value of the Grid shares being distributed.

As part of the demerger, the Grid is paying a special dividend to the regional electricity companies. The Grid shares, which professional investors have been trading on a conditional basis, closed at 209p yesterday, valuing the company at £3.5bn.

Analysts are divided over the likely level at which the shares will trade on Monday. Some predict a price in the range of 220p to 230p but others believe the price will be depressed by the threat or reality of large sellers.

Almost half the shares are owned by Hanson, Scottish Power, North West Water, Southern Company of the US and Southern Electric of the UK. Southern Electric decided not to distribute Grid shares.

Under the demerger terms, all five are required to sell their holdings within 12 months. There was speculation yesterday that one was preparing to place some or all of their stake with institutions next week.

The price at Monday's close will determine the capital gains tax liability for the electricity companies and the tax payment or rebate faced by shareholders.

Ferfin meeting approves cash call

By Robert Graham in Rome

Mediobanca, the powerful Milan merchant bank, yesterday won its battle to push through a controversial L953bn ($599m) capital increase for Ferruzzi Finanziaria (Ferfin), the Italian holding company.

However, in so doing Mediobanca alienated several big shareholders who were opposed to the handling of the operation by Mr Enrico Cuccia, the merchant bank's veteran honorary chairman.

The divisions provoked by Mr Cuccia's ambitions to take control of the business empire of the Ferruzzi family, which collapsed in 1993, represent the most serious public split within Italy's banking and financial community in recent years.

At yesterday's extraordinary shareholders' meeting in Milan the increase was approved by holders of 45.7 per cent of the capital and opposed by shareholders of 20.5 per cent.

The opposition came from important members of the banking community – the most notable being San Paolo di Torino, Banco di Sicilia, and Montepaschi. The Milan-based Cariplo, Italy's largest savings bank, also marked its distance by refusing to attend the meeting.

The final vote count showed that Mediobanca's contribution was not necessary for the 33 per cent required to win approval. Mediobanca had on its side 39 Italian banks – including Comit, Credito and Banca di Roma – plus 16 foreign banks and 21 Italian investment houses.

Lawyers representing San Paolo at the meeting hinted the bank might challenge the result in the courts.

One of their main arguments was that Mediobanca, with 9.95 per cent of the stock – mostly acquired in October raids – could not take part in the vote.

These shares were bought up after the failure of the plan to create "SuperGemina" – a conglomerate which was to have been formed from Ferfin's big industrial group Montedison, plus chemical and other non-automotive assets of Fiat.

San Paolo lawyers also insisted that Mediobanca, having acquired a controlling stake in Ferfin in its October raids, should be obliged to make a formal offer for all outstanding stock. But those at the meeting described the atmosphere as "sober" and "restrained".

Mr Enrico Biondi, Ferfin's chief executive, said the capital injection would allow L170bn to recapitalise Fondiaria, the insurance subsidiary, and L300bn to repay medium-term debt.

The remaining L483bn would cover L300bn of short-term bank exposure and cash needs.

Citicorp parts from vice-chairman

By Richard Tomkins in New York

Citicorp, the US banking group, yesterday announced it had parted company with one of its top executives – Mr Christopher Steffen, who was promoted to vice-chairman at the beginning of the year.

He has been replaced with immediate effect by Mr Victor Menezes, who has been named chief financial officer. Mr Menezes had previously been executive vice president in charge of the group's branch banking operations in North America and Europe.

Mr John Reed, Citicorp's chairman, said: "The results of the past several years have evidenced great progress in the company's development, but there is more to do. We need to strengthen our focus on delivering performance, including productivity programmes and our cost/revenue profile."

Mr Steffen is a noted cost-cutter who was brought in by Citicorp in 1993 to oversee the bank's financial controls and operations.

He had previously worked at Eastman Kodak, but left after a row with Kodak's chief executive about how quickly to proceed with a cost-cutting plan.

At Citicorp, Mr Steffen participated in job cuts running into tens of thousands. He also brought new management techniques to the company such as benchmarking – measuring the group's performance against those of other banks.

Mr Steffen's promotion from senior executive vice-president to vice-chairman in January had appeared to signal approval of his work. It also appeared to make him a possible successor to Mr Reed as chairman.

Citicorp yesterday offered no explanation for Mr Steffen's unexpected departure, and said Mr Steffen was unavailable for comment because he had left for the day. "There is no indication of a row whatsoever. It was a perfectly amicable set of decisions," Citicorp said.

Mr Reed said: "Chris [Steffen] has helped us importantly over the past three years and introduced many of the disciplines of an industrial company to Citicorp. we thank him and wish him well."

Mr Reed said Mr Steffen's successor was an international executive with both consumer and corporate banking experience.

Electronics rivals fix video disc format

By Michiyo Nakamoto in Tokyo and Alice Rawsthorn in London

Nine of the world's leading consumer electronics companies have agreed a common format for digital video disc (DVD) systems, which are expected to be among the best-selling electronics products of the late-1990s.

The agreement ends months of negotiation over the technical specifications for DVD, which can be used for data storage, watching videos and playing music.

The industry, which is suffering weak demand and fierce price competition, sees the versatile new product as its main hope of revitalising a sluggish market and of making inroads into the buoyant home computing sector.

However, until yesterday's agreement, the prospects for DVD were clouded by the threat that Japan's Sony and Philips of the Netherlands, two of the world's largest electronics groups, would trigger a "format war" by introducing a different system from the rest of the industry.

The final specifications represented a setback for Sony and Philips, which were forced to accept many aspects of the technology proposed by their rivals, led by Toshiba.

They also lost their lobby to include the letters "CD" in the new product's name – thereby positioning the new discs within the extended family of compact disc products, a technology originally developed by Sony and Philips.

However Philips said yesterday it was relieved the industry had finally reached agreement over a single format. The Dutch company plans to launch its first DVD products, which will be read-only memory drives for computer applications, by the end of 1996. It hopes soon afterwards to introduce the first consumer systems for playing films.

Japanese groups, such as Toshiba and Matsushita, are also aiming to put their first products on sale next autumn. However they are likely to launch their products in Japan first, followed by North America and Europe.

Most manufacturers suspect that the yen's effect on the Japanese groups will mean the first DVD consumer systems will have to be priced at more than the $600 that had been hoped for in order to establish them as mass market products.

BZW Securities in Tokyo estimates that DVD sales will reach Y155bn ($1.53bn) in 1996, rising to Y2,025bn by 2000. However, some analysts believe the absence of a recording function, which was a big selling point for video cassette recorders, could inhibit sales of consumer DVD systems.

Ransomes seeks £37m to cut debt

By Geoff Dyer

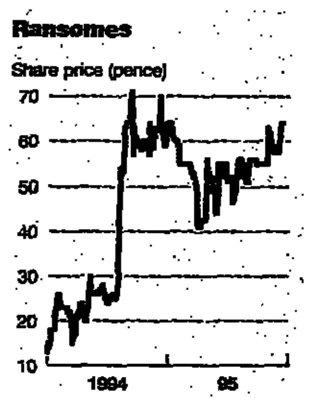
Ransomes, the manufacturer of grass-cutting equipment, is raising a net £37.3m through a rights issue to pay off the huge debts it built making acquisitions in the 1980s.

The group also announced a strong increase in annual pre-tax profits and signalled its return to the dividend list for the first time since 1991 at next year's interims.

The long expected 1-for-1 rights issue, underwritten by NatWest Markets, is priced at 48p, a 25 per cent discount to yesterday's unchanged closing price of 64p.

Mr John Clement, chairman, said the rights issue would make "a mammoth difference" to the group's financial position. Gearing, which had been 750 per cent two years ago, would be reduced to 59 per cent.


John Clement: rights will make 'mammoth difference'



Source: FT Extel

Ransomes' problems stemmed from the $150m (£95m) acquisition of Cushman Group in the US which left it with high levels of debt when the recession hit in the early 1990s.

The proceeds will be used to reduce borrowings, which stood at £103.9m at September 30, and to pay off the £2.4m outstanding convertible preference dividends.

The group has also renegotiated its banking arrangements. After the rights issue, it will have access to a £60m five year facility at 0.75 percentage points over Libor, compared to the interest rate margin of 2.25 it has faced on some of its borrowings.

Pre-tax profits in the year to September 30 of £9.22m, compared to £6.11m in the previous nine months, were struck after a £1.67m penalty payment for the early redemption of the group's US loan notes. Turnover was £180.2m, against £131.6m.

The otherwise strong performance was held back by poor management at the group's Plymouth plant, where late production led it to miss out on pre-summer demand. Consumer division profits were £500,000, down from £3.4m, on turnover lower at £44m, compared with £51.3m.

Group earnings per share advanced to 3.6p (1p). The group hopes to pay a interim dividend next year of not less than 0.5p.

NEWS DIGEST

Unidare recovery continues

Unidare, the Dublin-based engineer, built upon its first half recovery to announce full-year pre-tax profits of I£8.14m (£8.3m).

The outcome for the 12 months to September 30, achieved on turnover of I£151.5m (I£169.9m), compared with a deficit of I£1.46m last time and was struck after a net exceptional gain of £107,000 (£7.58m charge).

Disposals made during the year eliminated borrowings and left net cash amounting to I£3.12m.

Earnings per share were 31.81p (losses of 8.32p); a final dividend of 12.26p lifts the total to 16.86p (14.3p).

Tams setback

As foreshadowed in a trading statement last month, John Tams delivered interim results "both disappointing and below expectations".

The shares, which dived 14p following the warning, gave up another 3p yesterday to 58p.

The group, one of the UK's largest manufacturers of coffee mugs, also takes in the Royal Grafton and Duchess bone china brands.

Mr Gerald Tams, chairman, said losses in the bone china side lay behind the pre-tax profits fall from £563,000, struck after an exceptional charge of £190,000, to £314,000 in the six months to September 30.

Turnover improved 9 per cent to £13.3m and, despite a slowing in European retail sales, exports now account for 51 per cent of the total.

Moves to reduce the bone china cost base being implemented by Mr Rob Yates, who was appointed chief executive in September, will result in the closure of two manufacturing sites and an expected exceptional charge of about £1.3m in the second half.

Earnings per share dipped to 0.79p (1.5p) but the interim dividend is maintained at 1.6p with Mr Tams again waiving the distribution in respect of his controlling stake in the company.

LBMS recovers

Learmonth & Burchett Management Systems showed the benefits of changing its strategy to become a US-based software company by reporting interim pre-tax profits of £496,000, despite an exceptional charge of £296,000.

Last time there were losses of £3.28m after a charge of £2.4m.

The company, quoted on the USM and Nasdaq following its $12.5m (£8.15m) offering in November, said it was seeing strong growth in the US.

Turnover in the six months to October 31 was £12.4m (£11m). Earnings per share were 1.8p (13.7p losses).

In the three months to the end of October pre-tax profits were £249,000 (£559,000 losses) on turnover of £6.95m (£5.88m).

Earnings per share were 1.8p, against losses of 13.7p.

Crown Eyeglass

New store openings in Sweden helped Crown Eyeglass,the USM-quoted spectacles maker, lift pre-tax profits by 9 per cent from £336,000 to £365,000 in the half year to September 30.

Turnover grew by 29 per cent to £4.47m. Mr Joseph Lee, chairman, said that in addition to the 58 Crown Optical Centres in the UK, there were now 12 Direkt Optik retail outlets in Sweden where turnover rose by 84 per cent.

Further premises were under negotiation.

The Readyspex subsidiary had a good start to the year, he said, and export business continued to grow.

Earnings per share improved to 15.3p (14p) and a 4p (3.5p) interim dividend is declared.

Ideal Hardware

Ideal Hardware, the specialist data storage distributor, reported a 25 per cent rise in half-year pre-tax profits from £2.34m to £2.93m.

The company specialises in solutions for the storage of computer data and supplying them to computer resellers.

Turnover for the period, which covered 27 weeks to November 3 compared with 26 weeks last time, increased by a third to £60.9m.

Earnings per share rose 22 per cent to 9.15p. The interim dividend is increased 23 per cent to 4.2p.

COMMODITIES AND AGRICULTURE

MARKET REPORT

Copper stocks rise halts rally

An early rally in copper prices on the London Metal Exchange stalled yesterday after the exchange announced a large rise in warehouse stocks of the metal.

The three months delivery position had edged above $2,700 a tonne at on point, but after the stocks news it quickly retraced its steps. By the close it stood at $2,670.50 a tonne, down $14 on the day and $53.50 on the week. With nearby tightness still giving cause for concern, however, the cash price held on to its premium. The cash/three months "backwardation", as the premium is called, ended at $297 yesterday, close the record level reached in mid-week and $61.50 up from the end of last week.

Traders told the Reuters news agency that wide nearby backwardations were still attracting metal into LME warehouses, with the bulk of the increase coming in Long Beach in the US and Singapore. The copper going into Singapore was probably Chinese, some said.

News that Russian refined copper exports fell 8 per cent in the first 10 months of this year to 315,000 tonnes had little impact on values, traders said.

Aluminium stocks were also up quite sharply, but the market proved more resilient and the three months delivery price closed at $1,675.50 a tonne, down $3 on the day and $19 on the week.

The nickel market remained fairly firm, with prices continuing to claw back Monday's sharpish fall. A $112.50-a-tonne rise yesterday left the three months position $95 up on the week at $8,340 a tonne after an early rise to $8,400 had been met by chart-based selling and light trade liquidation.

An 8,925-tonne, or 6 per cent, fall in LME lead stocks helped the metal's prices to edge higher yesterday, but they still finished lower on the week and the cash premium narrowed further. European producers said demand for the lead remained strong as battery manufacturers prepared for the usual winter upturn in replacement purchases.

At the London Bullion Market gold dealers made another effort yesterday to break upside resistance at $390 a troy ounce. But, lacking sufficient encouragement from the New York market, the attempt failed and the price closed at $387.70 an ounce, down $1 on the day but $1.15 up on the week. "There may be some weak longs in there who may be looking to get out," one dealer told Reuters.

The London Commodity Exchange robusta coffee market finished weaker after bouncing from 19-month lows reached on Thursday. The March position, which had been as low as $1,840, closed yesterday at $1,873 a tonne, down $10 on the day and $69 on the week.

"The market was oversold and it had to come back up," one trader commented.

Others said activity centred on the January/March spread with the spot premium soaring to $230 a tonne on fears of renewed tightness next month. "In January/March the panic set in and we are off and rolling," said one. He thought the holders of short positions, who had seen the spot November premium soar to some $700 a tonne before the position's expiry, did not want a repeat of that scenario on the now spot January contract.

The market was slightly cautious, however, ahead of the next week's US Department of Agriculture world production report. "The market is on hold until the USDA report next week," London broker GNI said.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+7,750	to 571,450
Aluminium alloy	+380	to 57,420
Copper	+6,325	to 230,125
Lead	-8,925	to 141,950
Nickel	-888	to 46,278
Zinc	-2,050	to 880,200
Tin	-300	to 12,090

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1995 High	1995 Low
Gold per troy oz.	$388.70	+3.15	n/a	$394	$373
Silver per troy oz	343.00p	+3.00	n/a	375.50p	267.90p
Aluminium 99.7% (cash)	$1639.5	-18.0	n/a	$2149.50	$1608.50
Copper Grade A (cash)	$2967.5	+8.0	n/a	$3218.00	$2702.50
Lead (cash)	$741.5	+3.5	n/a	$785.00	$536.50
Nickel (cash)	$8225	+110	n/a	$10160	$8947.5
Zinc SHG (cash)	$1024	+9.5	n/a	$1208.5	$958.0
Tin (cash)	$6310	+90	n/a	$7175.0	$5095.0
Cocoa Futures Dec	$895	+2	n/a	$1050	$830
Coffee Futures Jan	$2101	+27	n/a	$3287	$2074
Sugar (LDP Raw)	$309.5	+2.5	n/a	$378.1	$289.2
Barley Futures Jan	$114.15	-2.20	n/a	$120.00	$102.00
Wheat Futures Jan	$125.15	-1.75	n/a	$126.00	$111.00
Cotton Outlook A Index	88.75c	+0.10	n/a	118.80c	85.05c
Wool (64s Super)	432p	+12	n/a	532p	429p
Oil (Brent Blend)	17.19w	+0.04	n/a	$19.01	$15.66

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. w Jan.

BASE METALS

LONDON METAL EXCHANGE

PRECIOUS METALS

Precious Metals continued

ENERGY

GRAINS AND OIL SEEDS

FUTURES DATA
All futures data supplied by CMS

Spices
The continuous decline of black pepper prices came to a halt this week as Indonesia's selling pressure evaporated and some fresh buying appeared in Europe, reports Man Producten. In the coming months India will be the major supplier of black pepper to world markets which still have to cover substantial quantities. It looks likely that prices may hold at present levels. Black pepper FAQ was offered at US$2,200 a tonne, spot, and at $2,125 CIF for December/January shipment. White pepper did not meet any buying interest and prices slipped below $3,400 CIF a tonne for December/January shipment. Spot white was available at $3,550 a tonne.

SOFTS

VOLUME DATA

INDICES

MEAT AND LIVESTOCK

LONDON TRADED OPTIONS

LONDON SPOT MARKETS

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		7.500	07/05	95.0200	+0.070	8.25	8.15	8.71
Austria		8.500	11/05	99.8000	-0.040	6.58	6.58	6.91
Belgium		8.500	03/05	98.7900	+0.130	6.67	6.67	6.95
Canada *		8.750	12/05	110.6900	-0.070	7.28	7.29	7.56
Denmark		8.000	03/06	104.9200	+0.060	7.29	7.30	7.82
France	BTAN	7.750	04/00	106.7500	+0.250	5.93	6.11	6.47
	OAT	7.750	10/05	106.7300	+0.430	6.80	6.93	7.29
Germany Bund		6.500	10/05	103.1200	+0.310	6.07	6.11	6.43
Ireland		6.250	10/04	92.8600	+0.156	7.40	7.44	8.03
Italy		10.500	09/05	97.3700	-0.098	10.94†	11.08	11.58
Japan	No 129	6.400	03/00	120.4900	+0.138	1.32	1.34	1.56
	No 174	4.600	09/04	114.2350	-	2.61	2.67	2.75
Netherlands		6.750	11/05	104.6800	+0.090	6.19	6.11	6.48
Portugal		11.875	02/05	109.5600	-	10.21	10.35	11.21
Spain		10.150	01/06	98.7400	-	10.13	10.13	10.84
Sweden		6.000	02/05	83.6180	-0.050	8.88	8.73	9.20
UK Gilts		8.000	12/00	104-31	+9/32	6.80	6.86	7.37
		8.500	12/05	107-21	+6/32	7.40	7.52	7.93
		9.000	10/08	111-20	+8/32	7.57	7.68	8.07
US Treasury *		5.875	11/05	101-14	+5/32	5.68	5.72	6.04
		6.875	08/25	111-16	-	6.04	6.12	6.34
ECU (French Govt)		7.500	04/05	102.7000	+0.210	7.09	7.15	7.66

London closing. *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

BOND FUTURES AND OPTIONS

France

Germany

Italy

Spain

UK

Ecu

FT-ACTUARIES FIXED INTEREST INDICES

FT FIXED INTEREST INDICES

GILT EDGED ACTIVITY INDICES

US

Japan

UK GILTS PRICES

Other Fixed Interest

ECONOMIC DIARY – FORWARD EVENTS

TODAY: Meeting in Conakry of foreign ministers of the Organisation of the Islamic Conference.

TOMORROW: Nobel peace prize awarded.

MONDAY: *Producer prices* (November). Japan bank lending (November). European parliament in plenary session in Strasbourg. BIS Group of 10 bank governors' committee meeting. Venezuela restarts budget talks.

TUESDAY: *Company liquidity* (third quarter). New construction orders (October). US producer price index (November). International Atomic Energy Agency (IAEA) board of governors meeting in Vienna.

WEDNESDAY: Retail sales (November). *Labour market* statistics: claimant unemployment and unfilled vacancies (November-provisional); employment, hours, productivity and unit wage costs; industrial disputes; training programme participants. Labour force survey (summer 1995). US retail sales (November); real earnings (November). Monthly meeting of the general council of the World Trade Organisation in Geneva. Meetings of five-power contact group and contact group of Islamic nations on former Yugoslavia in Paris. Summit of central American presidents in Honduras (to Dec 15). Finnish parliament votes on 1996 budget. Belgian public sector workers hold demonstration over rail restructuring and pensions.

THURSDAY: Machine tools (October). Retail prices index (November). Final results of June census of agriculture and horticulture for England (June 94). US consumer price index (November); industrial production (November); business inventories (October). Summit of top Nigerian politicians in Lagos to discuss military government's three-year transition to democracy programme. Summit meeting of the Association of Southeast Asian Nations in Bangkok (to Dec 15). Bundesbank council meets.

FRIDAY: Usable steel production (November). CBI monthly trends enquiry (December). GB cinema exhibitors *(third quarter)*. Earnings and hours of agricultural and horticultural workers (third quarter). European council of EU meets in Madrid (to Dec 16).

COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday December 9 1995

A European conundrum

Europe is in a muddle, and the events of recent days and weeks only emphasise the confusion. If the inhabitants of Jupiter were to send a counter-Galileo space probe, they might be forgiven for being baffled by the signals.

On the political front, the signs point in different directions. A team of the great and good in Brussels, the so-called reflection group summoned to prepare for next year's inter-governmental conference of the member states, has laboured for months, and brought forth a mouse. Called upon to propose constitutional reforms, both to make the EU more effective and more democratic, they have suggested that only modest tinkering is likely to prove acceptable to all 15. As for preparing the club for a whole range of new members, that all looks like being postponed.

Chancellor Helmut Kohl of Germany and President Jacques Chirac of France are clearly not satisfied. So ahead of next week's EU summit in Madrid, they have come up with their own agenda to keep the European integration show on the road. They have thrown down the gauntlet, to the minimalist British in particular, by insisting they cannot tolerate individual member states blocking further moves to integration.

They want a new clause to be written into the Maastricht treaty, allowing some member states to press ahead faster than others on the road to ever closer union. It would formalise the whole move towards a multiple-speed or variable geometry EU, with an integrated inner core based on Emu, and several looser outer circles which might allow for enlargement to the east.

A strategy for institutional reform is needed if the EU is to manage enlargement to the east. But everything also depends on what happens to the commitment made in the Maastricht treaty to economic and monetary union. Mr Chirac and Mr Kohl hope Emu will happen; Mr John Major and Mr Lamberto Dini fear it will; the question remains whether it will.

Mortal combat

France is where this will be decided. The government is locked in mortal combat with its leading trade unions over a modest attempt to reform its social security system. Most impartial observers agree that it is the least it could and should do to bring its public finances under control.

The ability of the French government to put through its reforms is a crucial test. But even if Mr Alain Juppé's government succeeds in achieving its immediate objective, neither it nor the Emu project will be assured of success.

The questions would then be how the fiscal deficit criterion for Emu will be applied and how the European economy performs. If the European economy were to persist in its present slowdown, an almost insuperable problem might be created for France. The government's plan to lower the deficit from 5 per cent of GDP this year to below 3 per cent in 1997 depends on its ability to sustain growth of 2¼-3 per cent a year. That is increasingly in question.

Macroeconomic pickle

The good news for France is that Germany is in a very similar macroeconomic pickle. Preliminary estimates suggest that the German economy registered no economic growth in the third quarter of 1995 and suffered a rise in unemployment to 9.7 per cent of the labour force. The bad news is that the Bundesbank may not act aggressively in response and, even if it does, may not succeed in reversing the drift.

The consequences for France could be dire. If slow growth began to increase French unemployment and raise the budget deficit once more, the chances of Emu might be regarded as increasingly remote. The exchange rate could then come under pressure, triggering a vicious circle of higher interest rates, slower growth, bigger fiscal deficits and yet more fiscal tightening.

France could find two escapes from the danger, both of them dependent on German good will. The first would be sharp and timely monetary easing by the Bundesbank under the direction of Mr Kohl's former assistant, Dr Hans Tietmeyer.

The second would be agreement by German politicians that the fiscal position in 1997 will be judged on a structural, or cyclically adjusted, basis, not on the basis of actual figures. If neither of these is forthcoming, France could be thrown off the track toward Emu in the very last lap. Defeating the strikes and demonstrations is absolutely necessary. It may still not be enough.

Messrs Chirac and Kohl have underlined once again that their commitment and direction is critical to the process. But even if they can deliver Emu for an inner core of member states, they have to define how variable geometry will work to preserve the integrity of the EU as a whole. That is certainly a task beyond the capacity of next week's EU summit. But it is the fundamental question to be defined by next year's IGC.

When the belt-tightening hurts

Fears are increasing that governments' enthusiasm for fiscal correctness could derail the global economic recovery, writes **Robert Chote**

Over the past three years the economies of the industrialised world have been in the grip of fiscal correctness. With the notable exception of Japan, their governments have been engaged in a belt-tightening exercise unprecedented at this stage of an economic upswing.

But are we getting too much of a good thing? Figures this week showed that the German economy stalled in the third quarter of the year, while the French and UK economies are barely growing at all. The US too is expected to see growth decelerate markedly.

Optimists believe that figures such as these mark no more than a pause before global economic activity accelerates again. But as forecasters fall over themselves to revise down their predictions of world growth for next year, there are fears in some quarters that overzealous fiscal rectitude is threatening to derail the recovery.

The trigger for fiscal consolidation was the build-up of public sector debt in the 1980s. It was made all the more urgent by relatively low inflation, which increased the burden of financing that debt.

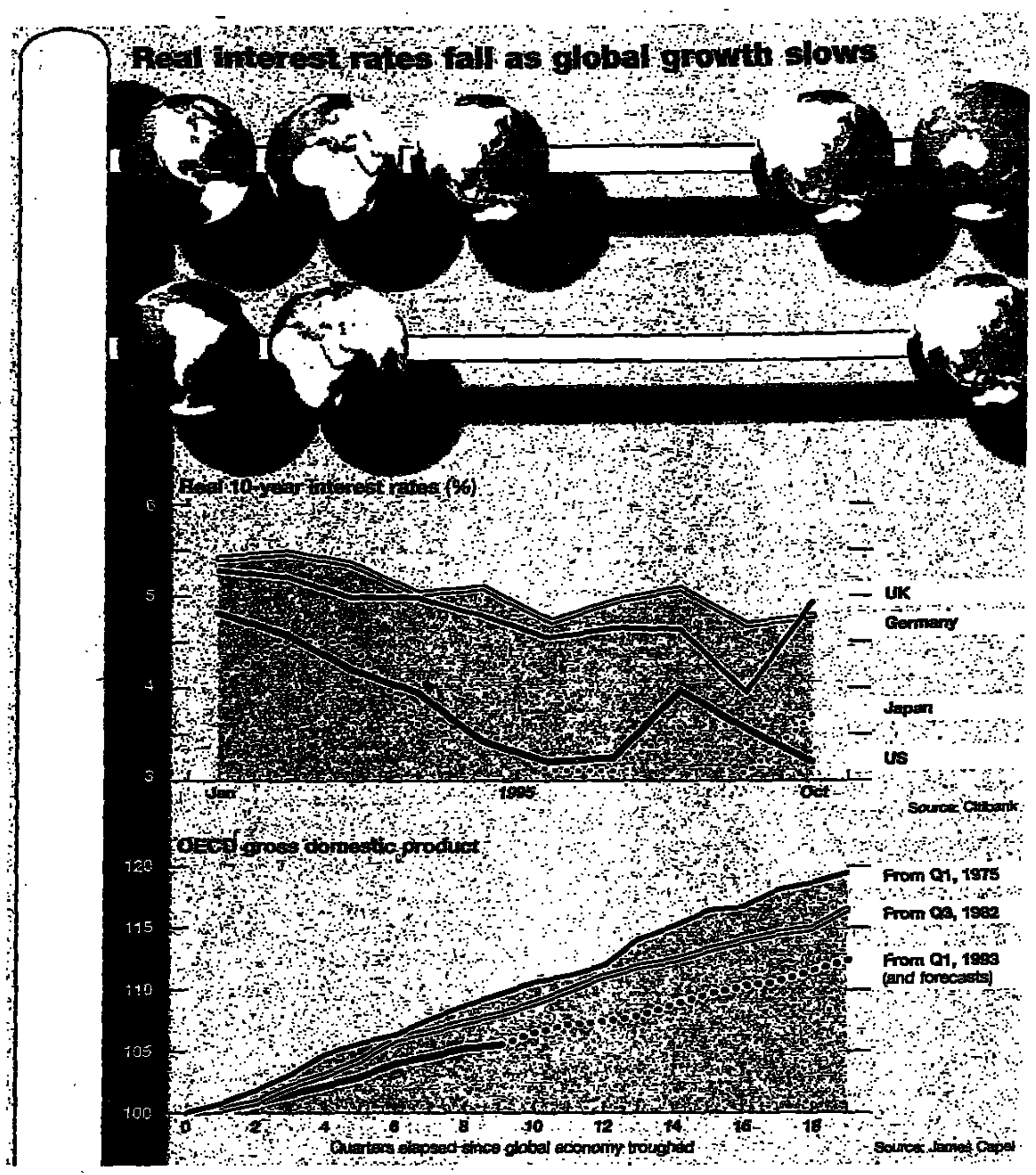
Progress has been impressive. The Organisation for Economic Co-operation and Development calculates that its 19 biggest member countries have cut their budget deficits since 1992 by 0.6 per cent of national income – excluding any reduction explained by recovery. In the US there is bipartisan support for a balanced budget, while European governments have to borrow less if they are to join the single currency under the terms of the Maastricht treaty.

"Political dogma in any of the Group of Seven countries has become fiscally conservative on both sides of the aisle. It is going to take a very long time to reverse these strategies," argues Mr Philippe Jordan, senior vice-president at Daiwa Securities in New York.

Shrinking the state has often proved to be a painful process. The street marches and public sector strikes which caused chaos in France this week are only one manifestation of a pervasive concern in many countries about the consequences of cutting public deficits.

Doubts have been raised about the future of state spending on pensions and health, for example. Combined with the job insecurity brought about by intensifying global competition, the squeeze on public sector activities is helping make these the "nervous '90s".

This deep-seated sense of nervousness has been heightened as the industrialised economies show signs of running out of steam. In Germany, France and the UK, analysts fear output will contract in the fourth quarter as companies meet demand from stocks of unsold goods. A stock adjustment is also expected to slow the US economy in the fourth quarter, after growth in the third which was unsustainable.



Mr Keith Skeoch, chief economist at James Capel in London, now expects the OECD economies to expand by only 2.1 per cent next year. This follows 2.5 per cent growth this year and 3.1 per cent in 1994. His views are not untypical.

Such unpromising short-term prognoses come three years into a global recovery that has anyway been more anaemic than its predecessors in the 1970s and 1980s. Even excluding the persistently weak Japanese economy, output and incomes in the OECD are still 1.5 per cent lower in relative terms than at the equivalent stage of the last two upturns.

The sluggishness of the present recovery cannot be explained by investment or exports, which are behaving much as in previous cycles. The weakness is showing up instead in consumer spending – affected by taxes – and government expenditure. "There thus appears to be *prima facie* evidence that fiscal consolidation has played a big role in generating a slower pace of activity in the early years of the current recovery," Mr Skeoch believes.

The recovery has also been sapped by the overhang of private sector debt which built up in many advanced economies during the 1980s. Many households which would normally be happy to borrow are afraid to do so – and those which would normally save are happy to continue. Growing fears about the future of public sector pensions give an added incentive.

Economic policymakers can, of course, reduce interest rates to bolster growth. But Mr John Lipsky, chief economist at Salomon Brothers in New York, observes that what he calls the "new policy consensus" behind fiscal consolidation also includes a conservative attitude to interest rates.

However, he also doubts whether governments will be able to stick to the new consensus. "The new policy consensus is running headlong into economic realities that will severely test policymakers," he argues. Events in France have underlined the fragility of popular support in Europe for the conservative policies demanded by the Maastricht treaty. Many observers doubt the US can sustain its recent golden scenario of solid growth, low inflation and high capacity utilisation. And it is still not certain that the Japanese economy is out of the woods.

Investor scepticism about the durability of the new policy consensus is reflected in the stubbornness of inflation expectations, which put upward pressure on long-term interest rates. Mr Eddie George, governor of the Bank of England, complained this week that Mr Kenneth Clarke, the UK chancellor, had lost credibility and pushed up gilt yields by failing to raise rates in May.

In Europe, the differences between interest rates in EU member states indicate that investors believe some are less serious about – or capable of – fiscal rectitude than others, despite attempts to bring convergence ahead of economic and monetary union. Even in the US, the much-lauded Federal Reserve has yet to convince investors that it means what it says about price stability.

Some analysts fear the durability of the new policy consensus may be undermined by the very fact that investors think it cannot last. This may stop long-term interest rates falling sufficiently to offset the impact of fiscal consolidation.

But Daiwa's Mr Jordan argues that the central banks are simply being stubborn. The Fed, for example, is failing to cut short-term rates quickly enough. "The monetary policies which eradicated inflation are still being employed," he says.

The willingness of central banks to act will be tested in the next few weeks. The German growth figures have fuelled expectations that the Bundesbank will cut its official rates in January, while a deal over the federal budget could allow rates in the US to fall then too. Some observers expect rates in both Germany and the US to fall this side of Christmas, and rates in the UK are widely expected to drop next week.

But Mr Skeoch at James Capel notes that the supposed trade-off between fiscal consolidation and looser monetary policy has rarely materialised in the past. Looking at 12 examples of fiscal consolidation in OECD countries over the last 25 years, he found that short-term interest rates ended up 1.1 per cent *higher* on average three years later. Longer-term "real" rates did fall, but mainly because of rising inflation. Any boost the economy might have received was also often undermined by a blow to competitiveness from a stronger exchange rate that resulted from such policies.

Depending on the timetable for rate reductions, Mr John Llewellyn, chief economist with Lehman Brothers in London, argues that Europe's bleakest time will be the first half of next year. But he fears a vicious circle if growth is too low to bring about the fall in budget deficits demanded by the Maastricht treaty, and if governments respond with more budget cuts.

Either way, the demands of the Maastricht treaty are expected to keep European growth subdued. The Japanese economy appears at last to recovering – but from such a low starting point that it is unlikely to make much difference to the world economy as a whole.

Thus it may be the US that determines whether the world economy resumes rapid growth. The optimists expect the US to lead a powerful re-acceleration, while the pessimists think any rebound there will be weak and a long time coming.

And what if there is a serious attempt to balance the federal budget? The conventional view is that this would boost the economy by allowing interest rates to fall. But history suggests it may not.

The moral of the last two years – in which global growth surprised almost everyone on the upside in 1994 and almost everyone on the downside in 1995 – is that economists cannot give a reliable prediction one way or the other.

LETTERS TO THE EDITOR

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View of dealing system liquidity a myth

From Professor Morris Mendelson.

Sir, I was dismayed at your perpetuation of the myth that quote driven systems provide better liquidity than order driven systems ("Exchange and marts", December 1). That is the kind of knee-jerk reaction I would expect from a market maker. Among other things it assumes that securities firms will not make markets on order driven systems.

I see no reason in the world why, when the spreads are wide, a securities firm would not want to take advantage of that and enter both a bid and offer and hope to benefit from the spread just as it does in a quote driven system.

Since, in an order driven system, the firm is free to enter and leave the market for a security without penalty and does not have to have a regulatory reserve of capital for those securities in which it chooses to make markets, a profit seeking securities firm is likely to be on the alert for excessive spreads, shifting its market making from stock to stock depending on where its services are most needed. Exposure is less risky than on SEAQ since the bids and offers are anonymous.

Furthermore, since a properly designed order driven system has time priority, potential liquidity providers are encouraged to expose their willingness to trade. As we have discovered in the US in the crash of 1987, the liquidity provided by market makers was grossly exaggerated.

While they broadcast their bids and offers on Nasdaq, many simply did not answer the phone. Finally, when the Toronto Stock Exchange introduced "Market by price", an order driven system, spreads narrowed.

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US

Asia's 'four tigers' are no longer low wage areas

From Mr Aidan Foster-Carter.

Sir, Can we nail, once and for all, the myth that the "four tigers" of east Asia today have low wages? You quote a cabinet minister as telling a City of London audience ("Dorrell admits reform of economy hurt many", December 1) that "Poland's labour costs are lower than they are in Singapore, Korea, or Taiwan". The secretary of state for health also described the notion of the UK competing on low wages (while disagreeing with it) as "Europe's Hong Kong".

But per capita income in the UK ($17,4100 in 1994, according to the Economist Intelligence Unit) is already lower than in both Hong Kong ($21,740) and Singapore ($22,470).

The UK remains ahead, for now, of Taiwan ($11,340) and South Korea ($8,740): but since both are expected to go on growing at 6-7 per cent annually, the UK will inevitably be overtaken. Already, Daewoo's monthly wage at its VCR plant in Antrim, Northern Ireland ($1,200) is lower than what it now pays at home in Korea ($1,300, plus free lunches).

As for Poland, its annual per capita income of $2,490 puts it in a different league altogether. As with other emergent east European economies, here the relevant comparison is not with the original Asian "four tigers" but with the south-east Asian "tiger cubs" now following in their wake, such as Malaysia ($3,570) and Thailand ($2,330).

Such relativities explain why, as you have reported, Daewoo is now buying up much of the Polish motor industry.

Of course, at the outset the first four tigers did have low wages. So did Japan: but anyone who still held that view of Japan today would surely be unfit to run a company, let alone the country. In 1995, is it any less inexcusable for a minister to be so ignorant of basic data and trends in east Asia more broadly?

And yet your political editor praised Mr Dorrell's speech as "one of the most coherent accounts by a minister of the government's. . .strategy". If even their best thinking is based on such false and outdated assumptions, small wonder the UK is in the mess it is.

The idea that his City audience may be equally misinformed is too awful even to contemplate.

Aidan Foster-Carter,
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France right to reform

From Mr John Stevens MEP.

Sir, Your leader "Il n'y a pas d'alternative" (December 5) on the real issues at stake in the present courageous stand of the French government to secure a reform of its public finances was absolutely correct.

It is deeply depressing how many so-called Conservative commentators in the UK seem to be advocating the interests of trade union power and fiscal irresponsibility, simply because of their hostility to European monetary union.

The fact of the matter is that the French government is doing the right thing in cutting its deficit regardless of the Maastricht criteria. France is one of Britain's principal trading partners. The UK has a huge vested interest in the long term health of the French economy which can only be secured if these reforms succeed. The parliamentary opposition to French prime minister Alain Juppé's programme is being led by the French Socialist party with which the British Labour party is closely linked in the European parliament.

This, when taken together with recent remarks by EU transport commissioner Neil Kinnock ("Kinnock breaks ranks with Brussels on Emu", November 28), would seem to suggest that the chances of Labour leader Tony Blair actually being able to deliver the sort of rigorous control of government spending necessary for Britain to be at the heart of European affairs are negligible.

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Man in the News • Marc Blondel

The striker with the cigar

The French union leader still has a lot to prove, says **Andrew Jack**

With his brightly-coloured braces, considerable paunch and penchant for large cigars, Mr Marc Blondel could easily pass for the archetypal *capitalist* that trade union militants love to hate.

At the head of marching workers complete with megaphone and flat cap, he is rapidly transformed into what he really is: the union leader with a *pivotal* position in the battle for the reform of France's social security system.

These two apparently contradictory aspects of his image serve well to illustrate the personal and political tensions pulling Mr Blondel, secretary general of Force Ouvrière (FO), one of France's largest unions, in different directions.

In many ways, he is experiencing his finest hour as mastermind of the wave of strikes and demonstrations that have *swept France in response* to the social security reforms proposed last month by Mr Alain Juppé, the prime minister. Last Thursday – two weeks after the first strikes began – crowds of more than 700,000 people gathered on the *streets* in cities across France, raising the spectre of the troubles of 1968.

Mr Blondel's rise to prominence has been based on his colourful personality and his ability to focus on the main concerns both of trade unionists, and large sections of the general public. But there are signs that this consensus may be beginning to break down.

To thousands of irate commuters in Paris who staged counter-demonstrations last weekend, for example, he has become a figure of hate. "Blondel, c'est le bordel." – *it's* a complete mess with Blondel – they shouted. There were even chants of "Blondel – à mort" – death to Blondel.

Yet despite the disruption to business, the huge traffic jams and the enormous inconvenience for those attempting to get to work, the bulk of public opinion is still behind him. The latest poll, published last week, suggests that 58 per cent of the French believe continued strikes are justified.

For the estimated one third of public-sector employees who stayed away from work on Thursday, Mr Blondel symbolises their determination to fight what they perceive as the growing threat to their job security and retirement entitlements at a time of high unemployment and slowing economic growth.

Some other unions have accepted the need for an overhaul of the present deficit-generating social security system and have responded positively to Mr Juppe"s proposed reforms.

But Mr Blondel has dominated media attention with his dogged determination to pursue the strikes. His lively personality appeals to journalists, with the result he appears daily in morning radio broadcasts, afternoon newspapers and evening television discussions, even if the coverage is not always favourable.

The grandson of miners from northern France, and a former civil servant, Mr Blondel, 57, a beer-swigging bullfight fan, is fond of histrionic gestures, such as pulling out his own payslip – limited to FFr14,000 ($2,817) a month – in front of the cameras.

In his six years at the helm of Force Ouvrière, where he is dubbed "the general", he has done much to radicalise the union.

So it is no surprise that he has sought to exploit the present unfocused but broad range of public frustrations with the state of France, upping the demands of the strikers from "withdrawal of the Juppé plan" to wider concerns about the preservation of the public sector and the need for salary increases.

Among his other initiatives, he has brought Force Ouvrière closer to the Confédération Générale du Travail, the grandparent of France's labour movement, which celebrated its centenary at a congress last week.

In a widely-photographed gesture at the end of November, Mr Blondel publicly shook hands for the first time with Mr Louis Viannet, the Communist head of the Confédération Générale du Travail. He has also said that he has ambitions to form a united "grande CGT".

Rapprochement would not be easy, however. Force Ouvrière has a long tradition of moderation, and split away from the Confédération Générale du Travail in 1947 for the very reason that it believed trade unions should be kept independent from the Communist party or any other political group.

Furthermore, Mr Blondel owes his position to a bizarre alliance between radical Trotskyites and private-sector union members associated with the ruling centre-right RPR Gaullist party.

This alliance has carried him to victory in the last two *leadership elections and his* hope is that it will propel him to a third win next February. Neither element in this alliance would welcome closer links with the Confédération Générale du Travail.

There is little doubt that Mr Blondel's personality has played an important role in inflaming the present deadlock in France. Although he says he is a socialist, he allied himself to Mr Jacques Chirac, the RPR leader, in the presidential election campaign this spring, encouraged by Mr Chirac's pledges about preserving the country's social security system.

*He pronounced himself satis*fied with the ideas for reform after a meeting with President Chirac in October. He was visibly angered and embarrassed when Mr Juppé's final version of the plan bore little relation to the one discussed, and bitterly accused the president of "lying by omission".

Along with some other union leaders, he dismisses as a charade Mr Juppé's supposed negotiations with the unions in the development of his reform plan.

There is a more tangible explanation for Mr Blondel's discontent, however. Force Ouvrière at present presides over the Caisse Nationale d'Assurance Maladie, with a FFr600bn annual budget to reimburse much of the country's health care expenses. Under Mr Juppé's plan, administration of the Caisse would be brought under the control of the French parliament.

In the circumstances, Mr Blondel's hardline reaction to Mr Juppé's proposals is logical. Whether it is sustainable, given the diversity of the groups involved and the worsening winter weather, is another matter.

Repent at leisure

Peter Norris reflects on the collapse of Barings for the first time since it failed to **John Gapper**

Ten days before the ignominious collapse of Barings, the UK *merchant* bank, in February, two men met in its 24th-floor Singapore office. One was Mr Peter Norris, the 40-year-old head of investment banking. The other was Mr Nick Leeson, a 28-year-old trader in financial derivatives.

Ten months later, Mr Leeson has just started a six-and-a-half year sentence in a Singapore jail for fraud in connection with the £830m derivatives loss that brought down Barings. Mr Norris spends most days looking for another job.

At night, he returns to his large house near Bedford, and his wife and two young children. Mr Leeson beds down on a straw mattress in a shared cell. But Mr Norris has no sympathy for the trader who abruptly cut short his own – until then golden – career.

"I think he was someone who took ruthless advantage, apparently from day one, of having been given responsibility in a certain area, and who utterly corrupted it," says Mr Norris, who left Barings in May with 19 other senior executives linked to the disaster.

Mr Norris faces being barred from serving as a director of an investment bank by the Securities and Futures Authority, the City regulator. Moreover, he has been accused by Singapore inspectors of trying to conceal Mr Leeson's unauthorised trading before the collapse.

Mr Norris says he is particularly pained by the knowledge that he had Mr Leeson in front of him without realising what he was concealing. "It is unbelievably galling, but the fact is that that information had not come to me. It came a week later," he says.

He says his encounter with Mr Leeson was a routine 15-minute meeting, one of several he had with local staff. He asked Mr Leeson a gentle question about whether others were upset at him earning so much money. "I recall it because frankly I did not understand the rather convoluted answer that I got back," he says.

The Singapore inspectors have accused Mr Norris of lying, citing eye-witnesses who say the meeting lasted 90 minutes. The implication is that Mr Norris and Mr Leeson were plotting. Mr Norris says there is no truth in this.

The Singapore authorities appear to be considering whether to bring charges against Mr Norris, Mr James Bax, the former head of the Singapore office, and Mr Simon *Jones, the local* operations manager. Mr Bax and Mr Jones are more vulnerable since they are living in Singapore.

Mr Norris has less to fear, but must also face the reality that many Britons sympathise with Mr Leeson, and regard the former executives of Barings headed by Mr Norris as bearing a heavy responsibility.

Such public humiliation may be harder for Mr Norris to take than others. Unlike some executives who left, he was not close to retirement. Furthermore, he had a reputation for arrogance, having risen rapidly to the top under the former chairman, Mr Peter Baring.

"I am not asking for sympathy, but if people think clearly about what has happened to a number of people's lives and future prospects, the effects of this have been severe," he says. Indeed, Mr Norris admits to having to re-appraise his whole view of the world – "what you can cope with, and what you can't" – as a result.

From early on, he has been more willing to shoulder blame for his role in the collapse than some other executives. "Anybody who was involved in the management of the business can reflect on things they might have done that would have made a difference. I can certainly do so," he says.

Yet he insists that part of his responsibility was formal rather than direct, in the sense that the debacle happened while he was in overall command. Although he talks of it analytically, he is clearly irritated that others played down the extent to which they had direct responsibility for Mr Leeson during the Bank of England inquiry.

"It is human nature for people confronted with this sort of thing to re-consider and re-present what they were doing and why they were doing it," he says. Although he does not mention the name, he seems particularly stung by the admission by Mr Ron Baker, former head of derivatives, that he was unfamiliar with equity derivatives.

He says a lack of understanding of derivatives among senior managers "is definitely part of what happened," but the Bank inquiry uncovered "acknowledgements of inexperience and lack of qualifications in running the business which were not presented at the time".

Peter Norris: 'it is a matter of anxiety as to when and how I am going to earn a viable salary again' *Photograph: Trevor Humphries*

Despite the lack of controls that let Mr Leeson run amok, Mr Norris insists Barings was competently managed in other areas. "In this instance, with unbelievable effects, the process failed, but the factors that caused the failure were not prevalent throughout the organisation," he says.

He puts a large part of the blame on the re-organisation it was undergoing. Controls were revamped after the departure of Mr Christopher Heath, founder of Baring Securities, in 1993, and Mr Norris was trying to integrate the organisation with Baring Brothers, Barings' merchant banking operation.

In the context of the fraudulent activity that had already started, that definitely meant there was too much going on in the organisation," he says. "In important areas of management, people had extraneous things on their minds which were not simply to do with running the business."

Mr Norris recognises sympathy for the former executives will be limited, given revelations about how much they were paid. He was due to receive a £1m bonus for 1994. Mr Leeson would have got £450,000, and Mr Andrew Tuckey, the bank's deputy chairman, was due to receive £1.6m, although none of them were paid.

From outside, he can reflect at leisure on the industry that used to pay him so well. "It is clearly not a matter of justice. The issue of how investment banking has become a supranational industry enjoying unbelievable rates of remuneration is a very big topic."

It is a moot point whether he will even earn such bonuses again. Even if he escapes a ban by the SFA, his curriculum vitae has been badly marred. "As a family, we are not destitute, but it is a matter of anxiety to me as to when and how I am going to be able to earn a viable salary again," he says.

Perhaps he would not even want to be an investment banker again. The collapse not only cut short a career, but made him wonder if it is possible to manage a modern investment bank according to Barings' ethos. He was fond of the bank, at which everyone trusted each other.

"I suppose my most bitter reflection is that it was an institution where I always thought one rarely, if ever, had to question the motives of one's colleagues," says Mr Norris, who spent all but three years of his 19-year career at Barings after graduating from Oxford University in 1976.

"Now I see that it was a naive judgment, well by-passed by the growth of the bank, and the extent to which its character was changing," he says. "To reflect that the approach had so clearly become inadequate is very hard."

UK rail privatisation is finally set to go ahead, says **Charles Batchelor**

Slow train coming at last

The last obstacle has been removed and the privatisation train is finally ready to depart. Yesterday's ruling by *the High Court that Mr Roger* Salmon, the UK's rail franchising director, had not set unacceptably low minimum levels of rail service earlier this year when he offered the first passenger service franchises for sale, all but clears the way for *UK rail privatisation* to go ahead.

Although disappointed anti-privatisation campaigners are to go to the Appeal Court on Monday in a last-ditch attempt to reverse the judgment, their prospects of winning appear slight. *If their appeal fails, the* winners of the first three franchises – for Great Western, South Western Trains and the London, Tilbury and Southend line – will be announced on Tuesday.

Britain has been in the vanguard of an international move towards rail privatisation. Legislation to permit a split between track ownership and passenger train operations has been passed and British Rail has been broken up into more than 80 companies for sale to the private sector.

A European Union directive passed in 1991 requires member states to separate infrastructure from operations but other countries have moved more slowly.

Management buyout teams are believed to have won the bidding for both the London, Tilbury and Southend line in south-east England and Great Western. South West Trains seems set to go to Stagecoach, the aggressive Scottish bus group.

Stagecoach has a reputation for fighting tough and slashing fares where necessary to drive out competition, but it says it intends to give passengers a better deal. "You can be sure we will not be planning to reduce services," said Mr Brian Souter, chairman. "Our track record in our bus business is one of continuous expansion and not contraction."

The management teams will be committing their personal finances and their careers to the venture so they can be expected to take a long-term view. But some doubt their ability to free themselves from a bureaucratic British Rail culture steeped in cost-cutting rather than innovative marketing.

Others are concerned that, with large amounts of public subsidy still going into the railways, the Treasury might not be able to resist the temptation to chip away at rail finances over the length of the franchises. These will run for at least seven years.

The High Court challenge had threatened to derail the privatisation programme just when it was starting to gather speed. The immediate effect of yesterday's judgment is to remove uncertainty over the sell-off timetable.

Taking BR to market was always going to be a delicate juggling act, with the franchising director and the rail regulator balanced uneasily between imposing too many restrictions and relaxing controls too much.

The minimum service requirements – the government prefers the term passenger service requirements – announced by Mr Salmon, set out very detailed minimum standards for train operations. These will apply to all 25 passenger franchises to be sold over the next two to three years. Standards for seven franchises have so far been spelt out.

The requirements set a time when the first and last trains of the day must run, the stations which must be called at and the minimum frequency of services. It is up to the train operators whether they run more services.

The franchising director has attempted to concentrate subsidies on services likely to prove unattractive to private operators. The government will provide £1.5bn in subsidies in the first year of privatisation – a £700m increase from present levels.

On the east coast main line, probably the most profitable of BR's routes, he has only stipulated an hourly service between London and Newcastle upon Tyne, in north-east England, compared with the present half-hourly service.

But on the less well-used and less regular services, he has *put more restrictions in place.* Overall, Mr Salmon calculates that he has required that 75 per cent of east coast services will still run.

Bidders for franchises are adamant that they will want to increase services. "We will far exceed the passenger service requirement and where possible we will exceed InterCity east coast's current service," says Mr Brian Burdsall, who is heading a management buyout bid.

But the government's protestations and these promises cut little ice with the Central Rail Users' Consultative Committee, a national passenger watchdog.

"It is not important what percentage of trains is included in the passenger service requirements but why it is being cut at all," says Mr Phil Wilks of the committee.

For critics such as these, the minimum service requirements may look extremely lax. But from the perspective of some bidders, they are already so onerous as to make it difficult to run a viable railway. The curbs imposed cover not just timetabling but fare levels and overcrowding.

Fare increases will not be allowed to exceed inflation for the next three years and must be held at 1 percentage point below inflation for a further four years.

Controls will be toughest on commuter routes, where passengers have no real choice of how they get to work and on routes where trains fulfil a social need.

Mr Salmon calculates that 80 per cent of the ticket revenues *of London, Tilbury* and Southend, a mainly commuter line, will be subject to regulation, while just 26 per cent of Great Western's ticket revenues will be affected.

The London, Tilbury and Southend line, which has the *reputation of being one of the* most unreliable in the UK and is run with 30-year-old carriages, has been dubbed the 'misery line' by many long-suffering Essex commuters.

Mr Salmon points out that this is the first time that there has been a contract requiring train operators to provide a certain level of service, or to keep fare rises within certain limits.

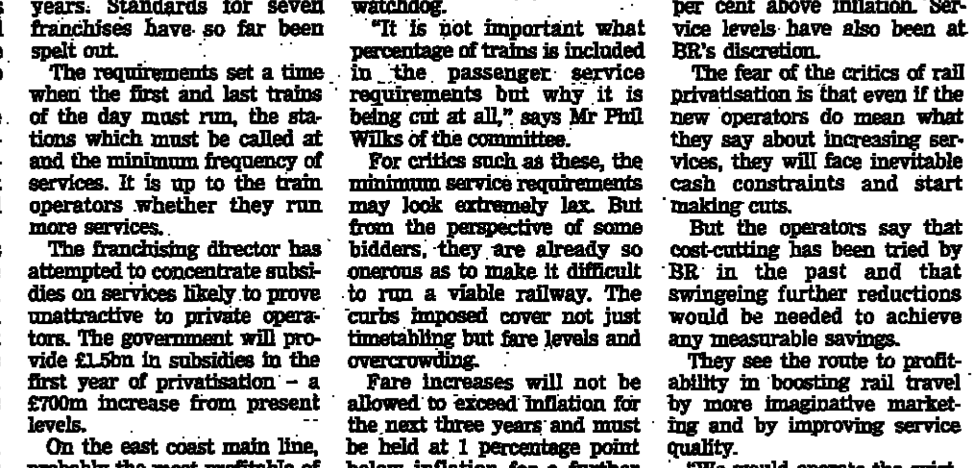
In the past, BR used its own judgment based on commercial and social factors and the amount of money it had available, to decide both fares and service levels. Over the past 10 years fares have risen by 22 per cent above inflation. Service levels have also been at BR's discretion.

The fear of the critics of rail privatisation is that even if the new operators do mean what they say about increasing services, they will face inevitable cash constraints and start making cuts.

But the operators say that cost-cutting has been tried by BR in the past and that swingeing further reductions would be needed to achieve any measurable savings.

They see the route to profitability in boosting rail travel by more imaginative marketing and by improving service quality.

"We would operate the existing timetable for at least two years," says one rail franchise bidder. "The whole object is to get more people using trains."



Smugglers drive on the tobacco road

Roderick Oram on the growing power of the cross-Channel bootleggers

A profitable business proposition was put to MPs debating the UK Budget this week: more money could be made bringing a car boot full of tobacco for hand-rolled cigarettes across the Channel than by smuggling 10kg of cannabis.

Doubtless no MP would act on the tip from Ms Jacqui Lait, the honourable member for Hastings and Rye. But plenty of other people have already cashed in on that knowledge.

In the past few years Dutch-made Drum has become the third biggest selling brand of hand-rolling tobacco in the UK. It has 13 per cent of the market, even though it is not legally for sale in the UK because of a trademark dispute.

The suppliers are bootleggers exploiting the difference between high excise duties in the UK and low rates in Belgium. A 50g pouch of typical hand-rolling tobacco costing the equivalent of £1.95 in Belgium has a street value in the UK of between £4 and £5, undercutting the retail price of Golden Virginia or Old Holborn – which are legally available in the UK – of £7.39.

Supply is no problem. "I can take you to any town or city in this country and find you some in 20 minutes," says Mr Clive Turner, executive director of industry affairs at the Tobacco Manufacturers Association, which is worried about the effects of smuggling on the legitimate tobacco business. Pubs, cafés, car-boot sales and door-to-door sellers are the best sources of smuggled tobacco. Tobacconists rarely sell it for fear of losing their legal supplies.

Illegal traders will supply some 3,000 tonnes – or 50 per cent – of the UK market for hand-rolling tobacco this year, the association estimates. Imported tobacco volumes rose rapidly after border controls were eased in 1993 when the EU single market came into effect, and the flow has accelerated rapidly this year as bootleggers have built their distribution networks. Hand-rolling tobacco is one of the most lucrative products to smuggle into the UK, because it is easy to carry and bears higher rates of duty than cigarettes.

The smuggling will cost the government some £370m in lost excise duty this year, the association estimates. Mr Kenneth Clarke, the chancellor, acknowledged this in the Budget by freezing the duty on hand-rolling tobacco, although tobacconists say this is like Canute trying to stop the tide coming in.

"Everybody thinks they are just cheating the government which they feel is a good game to play," says Mr Paul Mason of the Tobacco Alliance, a lobby group for retailers. "But they forget they're taking out every one else as well."

Newsagents and corner stores are seeing their tobacco sales, a core business, falling away rapidly. Mr Mason says he cannot compete given the high duty and his slender mark-up of 56p on a £7.39 pouch of tobacco. Smokers with packets of Drum sticking out of their pockets are coming in only to buy cigarette papers and matches, he says. Only a blizzard of National Lottery ticket sales has helped fill the gap for newsagents.

The issues are broader for campaigners such as Ms Lait. She is worried about the health implications of young people having easy access to cheap tobacco smoked in unfiltered cigarettes. Sales of cigarette papers have risen 50 per cent in the UK over the past five years, indicated a big switch to roll-your-own cigarettes.

Bringing hand-rolling tobacco across the Channel for your own consumption is legal, but reselling it in the UK is not. Customs & Excise considers 1kg an appropriate maximum quantity. When officers earlier this year challenged a man carrying 11kg, he said he mixed it with beef, garlic, carrots and onions in a stew in which he bathed to ward off colds and rheumatism. The tobacco was confiscated and he was fined.

Smuggling is a low-risk crime for those involved – mainly pensioners looking for a little extra income, truck drivers and the organised gangs. The association believes that Customs officers detect barely 1 per cent of the tobacco traffic.

The maximum prison sentence imposed to date is just 27 months. Nobody in the industry believes the government will cut duties enough to stop the smuggling – it needs the tax revenue from the legal trade and uses high tobacco taxes as part of a health policy to discourage smoking.

As for the UK manufacturers, all is not lost. They have yielded some market share to brands such as Drum, but UK exports of Golden Virginia, Old Holborn and other tobaccos to continental Europe have tripled to 1,300 tonnes a year – with much of it smuggled back into the UK.

The attractions are obvious: "A working man doesn't have to roll a cigarette thin like a matchstick any more," says Mr Dave West, a British entrepreneur who sells tonnes of tobacco to cross-Channel shoppers in Belgium each week. "He can afford to roll a fat one."

CURRENCIES AND MONEY

MARKETS REPORT

Erratic markets

By Philip Gawith

Foreign exchanges had a fairly volatile day yesterday as the the shifting sands of interest rate sentiment drove markets to and fro.

Sterling fell to a seventeen month low against the dollar, before recovering, and the lira also managed to break through the L1,000 level against the D-Mark. The dollar, however, was the main focus of attention, taking its lead from the volatile trading performance of the US Treasury bond market.

The dollar finished in London at DM1.448, from DM1.4416, but well off the intra-day high of DM1.4545. Against the yen it was little changed at Y101.25, from Y101.185.

The fall of sterling against the dollar was attributed to a large options position to sell the currency, rather than to any economic or political development. It fell to $1.5205, before recovering to close at $1.5274, from $1.5378 on Thursday. It was also slightly weaker against the D-Mark, finishing at DM2.2116 from DM2.2168.

The D-Mark was weaker against most currencies, reflecting the market's increasing belief that the Bundesbank may cut interest rates next Thursday. It slipped decisively below Y70 against the yen for the first time in ten weeks, closing at Y69.89.

■ Pound in New York

Dec 8	---Latest---	-- Prev. close --
£ spot	1.5320	1.5340
1 mth	1.5311	1.5331
3 mth	1.5284	1.5315
1 yr	1.5203	1.5226

The market continued to make light of the political troubles in France, with the franc firming slightly to finish at FFr3.440, from FFr3.449, against the D-Mark.

■ It was, in the immortal footballing phrase, a game of two halves – in the morning, the D-Mark was the focus, and the expectation of a cut in rates caused it to lose ground across the board. In the afternoon, however, it was the dollar that made the running, and these moves were first reversed, when the dollar rallied, and then partially re-instated as it fell back once more.

The dollar's unsteady route was the result of the bond market's inability to decide what to make of the November employment report, and subsequent data. Mr Tony Norfield, UK treasury economist at ABN AMRO in London, said the report had been uniformly weak. "The Fed is absolutely certain to cut rates. It is just a question of when," he said.

Armed with this information, the bond market rallied strongly, pulling the dollar with it. Later, strong consumer credit figures suggested a slightly less friendly environment for US asset markets, and the dollar fell as bond and equity markets retreated.

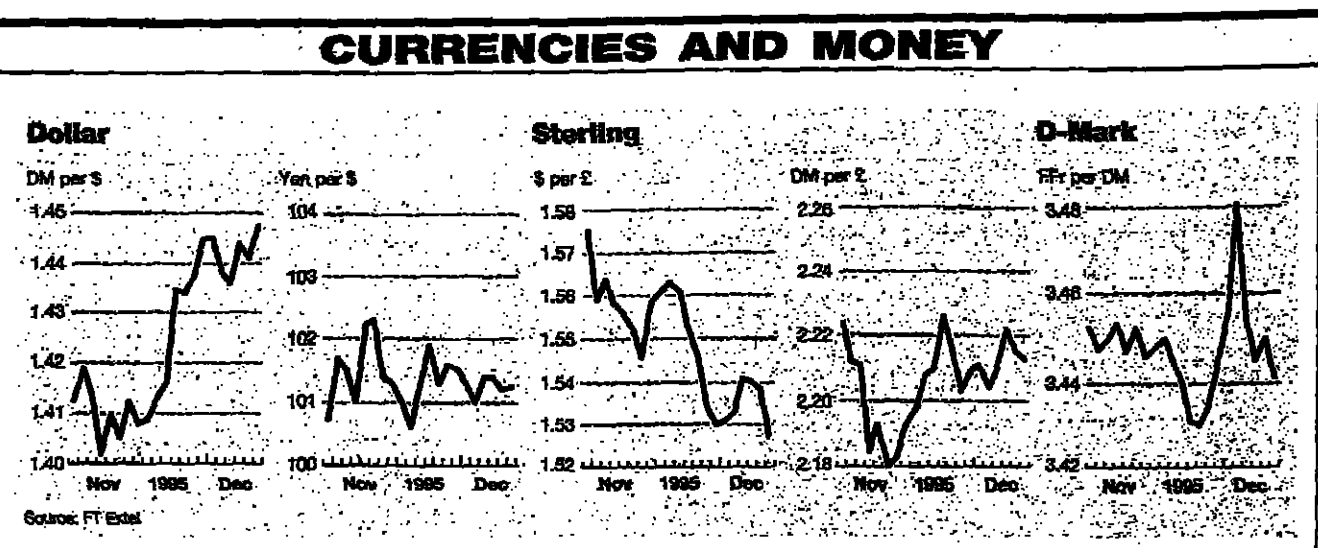
Mr Avinash Persaud, currency strategist at JP Morgan in London, predicted that the prospect of lower German interest rates would probably support the dollar, "but it is impeded in its advance by the size of long dollar positions."

The same factor is underpinning the French franc, although Mr Persaud said he believed the franc would have no place to hide once German rates started to rise again.

The stability of the franc over the past week, despite widespread political and industrial disturbances, has made clear that the market believes the Germans in general, and the Bundesbank in particular, stand firmly behind the French.

This support has been clear ever since the prime minister Mr Alain Juppe made clear in his budget last month that the government was pursuing the route of fiscal rigour, not currency devaluation.

Whether they can succeed in the long term remains a moot point. Mr Persaud said: "It is inevitable that at some point in the next six months, the franc will fall off a cliff."



POUND SPOT FORWARD AGAINST THE POUND

Dec 8		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	15.5589	-0.0374	504 - 694	15.5941	15.4711	15.5164	3.4	15.4724	2.2	-	-	106.4
Belgium	(BFr)	45.4769	-0.1189	405 - 132	45.6170	45.4020	45.3619	3.0	45.1919	2.5	44.4669	2.2	108.9
Denmark	(DKr)	8.5561	-0.0268	519 - 603	8.5842	8.5453	8.5445	1.6	8.5271	1.4	8.4687	1.0	109.4
Finland	(FM)	6.6150	-0.003	092 - 207	6.6450	6.5880	6.6106	0.8	6.6025	0.8	-	-	87.7
France	(FFr)	7.6091	-0.0336	052 - 130	7.6490	7.6051	7.609	0.0	7.6137	-0.2	7.5875	0.3	109.9
Germany	(DM)	2.2116	-0.0052	103 - 129	2.2195	2.2076	2.2065	2.7	2.1982	2.4	2.1589	2.4	111.2
Greece	(Dr)	363.479	-1.38	204 - 754	364.939	362.857	-	-	-	-	-	-	66.6
Ireland	(I£)	0.9669	-0.0006	661 - 676	0.9694	0.9650	0.9658	1.2	0.9646	0.9	0.9613	0.6	97.2
Italy	(L)	2427.04	-16.91	518 - 890	2440.28	2423.36	2435.69	-4.4	2452.09	-4.1	2526.49	-4.1	71.6
Luxembourg	(LFr)	45.4769	-0.1189	405 - 132	45.6170	45.4020	45.3619	3.0	45.1919	2.5	44.4669	2.2	108.9
Netherlands	(Fl)	2.4754	-0.0078	739 - 769	2.4872	2.4729	2.4689	3.2	2.459	2.7	2.4154	2.4	109.0
Norway	(NKr)	9.7262	-0.0219	195 - 328	9.7700	9.6814	9.7161	1.2	9.6946	1.3	9.6134	1.2	98.3
Portugal	(Es)	232.310	-0.528	165 - 455	232.987	231.493	232.735	-2.2	233.64	-2.3	-	-	94.8
Spain	(Pta)	188.582	-0.268	435 - 729	189.063	187.891	189.067	-3.1	190.012	-3.0	194.237	-3.0	81.6
Sweden	(SKr)	10.1664	-0.0173	557 - 770	10.2206	10.1271	10.1683	-0.2	10.1719	-0.2	10.1871	-0.2	87.3
Switzerland	(SFr)	1.7893	-0.0071	880 - 906	1.7947	1.7856	1.7825	4.5	1.7706	4.2	1.7172	4.0	115.2
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.5
Ecu	-	1.1999	-0.0025	991 - 006	1.2032	1.1972	1.1988	1.1	1.1974	0.8	1.19	0.8	-
SDR†	-	1.03459	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5273	-0.0106	267 - 278	1.5339	1.5205	-	-	-	-	-	-	-
Brazil	(R$)	1.4758	-0.0101	753 - 763	1.4819	1.4693	-	-	-	-	-	-	-
Canada	(C$)	2.0984	-0.0042	970 - 998	2.1015	2.0872	2.0969	0.8	2.0957	0.5	2.0915	0.3	83.3
Mexico	(New Peso)	11.8446	-0.0042	258 - 634	11.8713	11.7687	-	-	-	-	-	-	-
USA	($)	1.5274	-0.0104	269 - 278	1.5341	1.5205	1.5265	0.7	1.5249	0.7	1.5161	0.7	94.1
Pacific/Middle East/Africa													
Australia	(A$)	2.0737	-0.0066	723 - 750	2.0774	2.0631	2.0752	-0.9	2.079	-1.0	2.0955	-1.1	85.0
Hong Kong	(HK$)	11.8126	-0.0816	083 - 168	11.8635	11.7608	11.8055	0.7	11.7974	0.5	11.7709	0.4	-
India	(Rs)	53.3122	-0.2494	583 - 661	53.4980	53.1110	-	-	-	-	-	-	-
Israel	(Shk)	4.7333	-0.0239	287 - 379	4.7470	4.7177	-	-	-	-	-	-	-
Japan	(Y)	154.644	-0.958	522 - 766	155.640	154.350	153.749	6.9	152.309	6.0	146.004	5.6	143.0
Malaysia	(M$)	3.8769	-0.0256	750 - 788	3.8933	3.8602	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3686	-0.0084	666 - 705	2.3732	2.3592	2.3715	-1.5	2.3785	-1.7	2.4027	-1.4	100.1
Philippines	(Peso)	40.0090	-0.2429	437 - 742	40.1320	39.8827	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.7287	-0.0395	266 - 308	5.7539	5.7034	-	-	-	-	-	-	-
Singapore	(S$)	2.1614	-0.012	601 - 626	2.1697	2.1526	-	-	-	-	-	-	-
South Africa	(R)	5.6022	-0.0339	994 - 050	5.6252	5.5802	-	-	-	-	-	-	-
South Korea	(Won)	1175.53	-8.19	510 - 595	1181.18	1170.33	-	-	-	-	-	-	-
Taiwan	(T$)	41.6890	-0.2907	752 - 028	41.8904	41.6036	-	-	-	-	-	-	-
Thailand	(Bt)	38.4205	-0.2506	939 - 471	38.5860	38.2710	-	-	-	-	-	-	-

† Rates for Dec 7. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Dec 8		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P. Morgan index
Europe													
Austria	(Sch)	10.1875	+0.0449	843 - 907	10.1950	10.1400	10.172	1.8	10.146	1.6	10.0425	1.4	106.4
Belgium	(BFr)	29.7750	+0.125	600 - 900	29.8950	29.7050	29.723	2.1	29.635	1.9	29.33	1.5	106.5
Denmark	(DKr)	5.6019	+0.0206	008 - 030	5.6245	5.5909	5.5981	0.8	5.5918	0.7	5.6094	-0.1	106.5
Finland	(FM)	4.3310	+0.0274	285 - 335	4.3485	4.3046	4.328	1.4	4.3173	1.3	4.2885	1.0	87.2
France	(FFr)	4.9819	+0.012	808 - 830	5.0092	4.9737	4.9854	-0.8	4.9929	-0.9	5.0044	-0.5	109.5
Germany	(DM)	1.4480	+0.0064	476 - 484	1.4550	1.4439	1.4457	1.9	1.4415	1.8	1.424	1.7	110.6
Greece	(Dr)	237.980	+0.72	870 - 090	239.100	237.270	239.705	-8.7	242.905	-8.3	258.38	-7.7	66.0
Ireland	(I£)	1.5798	-0.0097	790 - 805	1.5855	1.5735	1.5803	-0.3	1.5807	-0.2	1.5768	0.2	-
Italy	(L)	1589.05	-1.5	830 - 980	1595.50	1588.29	1595.9	-5.2	1607.95	-4.8	1666.05	-4.8	70.8
Luxembourg	(LFr)	29.7750	+0.125	600 - 900	29.8950	29.7050	29.723	2.1	29.635	1.9	29.33	1.5	106.5
Netherlands	(Fl)	1.6207	+0.0059	202 - 212	1.6284	1.6175	1.6176	2.3	1.6125	2.0	1.5932	1.7	106.3
Norway	(NKr)	6.3680	+0.029	655 - 705	6.4150	6.3080	6.3658	0.4	6.3575	0.7	6.3405	0.4	97.5
Portugal	(Es)	152.100	+0.69	050 - 150	152.770	151.390	152.475	-3.0	153.245	-3.0	156.85	-3.1	94.8
Spain	(Pta)	123.470	+0.665	410 - 530	123.720	123.050	123.863	-3.8	124.6	-3.7	128.09	-3.7	81.4
Sweden	(SKr)	6.6562	+0.034	512 - 612	6.6781	6.6403	6.6733	-3.1	6.7027	-2.8	6.8402	-2.8	86.8
Switzerland	(SFr)	1.1715	+0.0033	710 - 720	1.1768	1.1690	1.1679	3.7	1.1612	3.5	1.1328	3.3	114.4
UK	(£)	1.5274	-0.0104	269 - 278	1.5341	1.5205	1.5265	0.7	1.5249	0.7	1.5161	0.7	82.3
Ecu	-	1.2730	-0.0059	725 - 734	1.2769	1.2685	1.2733	-0.3	1.2736	-0.2	1.2743	-0.1	-
SDR†	-	0.67268	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.0000	-0.0001	998 - 000	1.0000	0.9999	-	-	-	-	-	-	-
Brazil	(R$)	0.9663	-	662 - 663	0.9664	0.9661	-	-	-	-	-	-	-
Canada	(C$)	1.3739	+0.0066	734 - 744	1.3744	1.3693	1.3739	0.0	1.3743	-0.1	1.3793	-0.4	82.7
Mexico	(New Peso)	7.7550	+0.05	450 - 650	7.7700	7.7400	7.7572	-0.3	7.7604	-0.3	7.7653	-0.1	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	94.9
Pacific/Middle East/Africa													
Australia	(A$)	1.3576	+0.005	572 - 581	1.3589	1.3541	1.3596	-1.8	1.3631	-1.6	1.3818	-1.8	88.0
Hong Kong	(HK$)	7.7340	-0.0005	335 - 345	7.7348	7.7335	7.7347	-0.1	7.7365	-0.1	7.7635	-0.4	-
India	(Rs)	34.9050	+0.075	800 - 300	34.9500	34.8500	35.055	-5.2	35.38	-5.2	36.83	-5.5	-
Israel	(Shk)	3.0990	+0.0055	969 - 011	3.1034	3.0948	-	-	-	-	-	-	-
Japan	(Y)	101.250	+0.065	200 - 300	101.580	101.190	100.735	6.1	99.89	5.4	96.325	4.9	143.0
Malaysia	(M$)	2.5383	+0.0006	378 - 388	2.5390	2.5373	2.5392	-0.4	2.5453	-1.1	2.5688	-1.2	-
New Zealand	(NZ$)	1.5508	+0.005	499 - 516	1.5516	1.5470	1.5537	-2.4	1.5595	-2.3	1.5841	-2.2	-
Philippines	(Peso)	26.1950	+0.02	600 - 300	26.2300	26.1600	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7508	-0.0002	505 - 510	3.7510	3.7505	3.7512	-0.1	3.7519	-0.1	3.7553	-0.1	-
Singapore	(S$)	1.4151	+0.0018	147 - 155	1.4155	1.4130	1.4116	3.0	1.4056	2.7	1.3801	2.5	-
South Africa	(R)	3.6680	+0.003	672 - 687	3.6705	3.6665	3.696	-9.1	3.7471	-8.6	3.989	-8.8	-
South Korea	(Won)	769.650	-0.1	600 - 700	770.100	769.100	772.65	-4.7	776.15	-3.4	794.65	-3.2	-
Taiwan	(T$)	27.2950	-0.0035	940 - 960	27.3050	27.2930	27.315	-0.9	27.355	-0.9	-	-	-
Thailand	(Bt)	25.1550	+0.008	450 - 650	25.1700	25.1450	25.2538	-4.7	25.4575	-4.8	26.34	-4.7	-

† SDR rate per $ for Dec 7. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Dec 7: Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

December 8	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3¾	3¾	3¾	3¾	3¾	8.00	3.50	-
week ago	3¾	3¾	3¾	3¾	3¾	8.00	3.50	-
France	5⅝	5⅝	5¾	5½	5¾	4.70	-	6.10
week ago	5½	5⅝	6⅛	6	5⅞	4.80	-	6.10
Germany	4	4⅛	3⅞	3⅞	3¾	5.50	3.50	3.98
week ago	4⅛	4⅛	3⅞	3⅞	3¾	5.50	3.50	3.98
Ireland	5⅝	5⅝	5¾	5¾	5⅞	-	-	6.25
week ago	5⅞	5⅝	5⅝	5⅞	5⅞	-	-	6.25
Italy	10⅞	10½	10½	10½	10½	-	9.00	10.51
week ago	10⅝	10½	10½	10⅝	10⅝	-	9.00	10.52
Netherlands	3⅝	3¾	3¾	3¾	3⅝	-	3.50	3.60
week ago	3¾	3¾	3¾	3⅝	3⅝	-	3.50	3.60
Switzerland	2⅛	2⅛	2⅛	2⅛	1⅞	5.00	2.00	-
week ago	2	2⅛	2⅛	2	1⅞	5.00	2.00	-
US	5⅝	5⅞	5⅞	5½	5⅜	-	5.25	-
week ago	5⅞	5⅞	5⅞	5⅝	5½	-	5.25	-
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	0.50	-
week ago	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	5⅞	5¾	5⅝	5½	-	-	-
week ago	-	5⅞	5⅞	5⅝	5⅝	-	-	-
US Dollar CDs	-	5.18	5.28	5.26	5.23	-	-	-
week ago	-	5.18	5.44	5.40	5.39	-	-	-
ECU Linked Ds	-	5⅛	5⅛	5⅛	5⅛	-	-	-
week ago	-	5⅛	5⅛	5⅛	5⅛	-	-	-
SDR Linked Ds	-	3⅞	3⅞	3⅞	3⅞	-	-	-
week ago	-	3⅞	3⅞	3⅞	3½	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Dec 8	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4 1/16 - 3 7/8	4 1/16 - 3 7/8	4 1/16 - 3 7/8	4 1/16 - 3 31/32	4 1/16 - 3 31/32	4 1/16 - 3 31/32
Danish Krone	4 21/32 - 4 15/32	5 3/16 - 4 13/16	5 1/8 - 4 13/16	5 3/16 - 4 13/16	5 3/16 - 4 13/16	5 1/8 - 4 7/8
D-Mark	4 3/16 - 4 1/16	4 1/16 - 3 15/16	4 1/8 - 4	4 - 3 7/8	3 13/16 - 3 11/16	3 13/16 - 3 5/8
Dutch Guilder	3 3/4 - 3 5/8	3 3/4 - 3 5/8	3 3/4 - 3 5/8	3 3/4 - 3 5/8	3 13/16 - 3 5/8	5 3/8 - 5
French Franc	5 1/2 - 5 3/8	5 1/2 - 5 1/4	5 5/8 - 5 1/8	5 5/8 - 5 1/8	5 1/2 - 5 1/8	9 1/8 - 9
Portuguese Esc.	8 13/16 - 8 11/16	8 7/8 - 8 3/4	9 - 8 7/8	9 1/16 - 8 15/16	9 1/16 - 8 15/16	9 3/16 - 9 3/16
Spanish Peseta	9 17/32 - 9 3/8	9 15/16 - 9 3/16	9 7/16 - 9 3/16	9 7/16 - 9 5/16	9 3/8 - 9 1/4	6 3/8 - 6 1/4
Sterling	6 13/16 - 6 5/8	6 13/16 - 6 5/8	6 13/16 - 6 11/16	6 1/2 - 6 3/8	6 3/8 - 6 3/16	1 15/16 - 1 13/16
Swiss Franc	2 3/8 - 2 1/4	2 3/8 - 2 1/4	2 1/2 - 2 3/8	2 3/16 - 2 1/16	2 1/8 - 2	5 13/16 - 5 11/16
Can. Dollar	5 7/8 - 5 11/16	5 13/16 - 5 3/4	5 7/8 - 5 3/4	5 7/8 - 5 3/4	5 13/16 - 5 11/16	5 1/2 - 5 3/8
US Dollar	5 3/4 - 5 1/2	5 13/16 - 5 11/16	5 13/16 - 5 11/16	5 13/16 - 5 5/8	5 5/8 - 5 7/16	[illegible]
Italian Lira	10 3/16 - 10 3/16	10 7/16 - 10 3/16	10 7/16 - 10 3/16	[illegible]	[illegible]	[illegible]
Yen	1/2 - 7/16	3/8 - 1/4	3/8 - 1/4	13/32 - 1/4	15/32 - 11/32	15/32 - 11/32
Asian $Sing	1 7/8 - 1 3/4	1 7/8 - 1 3/4	2 3/8 - 2 1/4	2 1/2 - 2 3/8	2 5/8 - 2 1/2	2 13/16 - 2 11/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate (FFr5m)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.26	94.28	+0.12	94.34	94.18	38,890	84,715
Mar	94.76	94.73	+0.04	94.80	94.64	15,609	80,201
Jun	94.88	94.92	+0.01	94.95	94.88	7,491	86,218

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	96.05	96.07	-	96.08	96.05	9830	91135
Mar	96.32	96.34	+0.01	96.36	96.31	17767	97308
Jun	96.35	96.39	+0.01	96.43	96.35	16938	99533
Sep	96.30	96.34	+0.01	96.38	96.30	15428	83143

■ THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	89.55	89.56	+0.04	89.58	89.52	2980	9636
Mar	89.88	89.94	+0.08	90.00	89.87	5192	8145
Jun	90.16	90.27	+0.09	90.30	90.18	762	1768
Sep	90.30	90.33	+0.04	90.35	90.27	321	1319

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	97.81	97.82	-	97.83	97.80	569	1473
Mar	98.02	98.04	-	98.04	98.01	2003	2298
Jun	98.06	98.08	-	98.09	98.05	1625	1127
Sep	98.02	98.02	-0.05	98.03	97.99	537	513

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.63	94.62	+0.03	94.64	94.61	508	53
Mar	94.84	94.83	-	94.84	94.82	459	59
Jun	94.88	94.93	-0.01	94.94	94.88	181	47
Sep	94.89	94.93	+0.01	94.93	94.88	313	20

* LIFFE futures also traded on APT

CROSS-RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Dec 8		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.81	16.73	4.864	2.126	5336	5.442	21.39	510.8	414.7	22.36	3.934	2.199	4.613	3.358	339.9	2.636
Denmark	(DKr)	53.16	10	8.893	2.585	1.130	2837	2.893	11.37	271.5	220.4	11.89	2.091	1.169	2.452	1.785	180.7	1.401
France	(FFr)	59.77	11.24	10	2.907	1.271	3190	3.253	12.78	305.3	247.9	13.37	2.351	1.314	2.757	2.007	203.2	1.576
Germany	(DM)	20.56	3.868	3.440	1	0.437	1097	1.119	4.397	105.0	85.26	4.598	0.809	0.452	0.948	0.690	69.89	0.542
Ireland	(I£)	47.03	8.848	7.869	2.287	1	2510	2.559	10.06	240.2	195.0	10.52	1.850	1.034	2.170	1.579	159.9	1.240
Italy	(L)	1.874	0.353	0.314	0.091	0.040	100.	0.102	0.401	9.571	7.771	0.419	0.074	0.041	0.086	0.063	6.370	0.049
Netherlands	(Fl)	18.38	3.457	3.074	0.894	0.391	980.6	1	3.930	93.86	76.20	4.109	0.723	0.404	0.848	0.617	62.46	0.484
Norway	(NKr)	46.76	8.797	7.823	2.274	0.994	2495	2.545	10	238.8	193.9	10.46	1.839	1.028	2.157	1.570	159.0	1.233
Portugal	(Es)	19.58	3.683	3.276	0.952	0.416	1045	1.065	4.187	100.	81.19	4.378	0.770	0.430	0.903	0.657	66.55	0.516
Spain	(Pta)	24.11	4.537	4.034	1.173	0.513	1287	1.312	5.157	123.2	100.	5.392	0.949	0.530	1.112	0.810	81.97	0.636
Sweden	(SKr)	44.72	8.413	7.482	2.175	0.951	2386	2.434	9.563	228.4	185.4	10	1.759	0.983	2.063	1.501	152.0	1.179
Switzerland	(SFr)	25.42	4.783	4.253	1.236	0.541	1357	1.383	5.437	129.8	105.4	5.685	1	0.559	1.173	0.854	86.42	0.670
UK	(£)	45.48	8.556	7.609	2.212	0.967	2427	2.475	9.726	232.3	188.6	10.17	1.789	1	2.098	1.527	154.6	1.199
Canada	(C$)	21.68	4.078	3.627	1.054	0.461	1157	1.180	4.636	110.7	89.90	4.847	0.853	0.477	1	0.728	73.69	0.571
US	($)	29.78	5.603	4.983	1.449	0.633	1589	1.621	6.369	152.1	123.5	6.660	1.172	0.655	1.374	1	101.2	0.785
Japan	(Y)	29.42	5.534	4.922	1.431	0.625	1570	1.601	6.291	150.3	122.0	6.578	1.157	0.647	1.357	0.988	100.	0.776
Ecu		37.93	7.136	6.346	1.845	0.807	2024	2.064	8.112	193.7	157.3	8.482	1.492	0.834	1.750	1.274	128.9	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100

EMS EUROPEAN CURRENCY UNIT RATES

Dec 8	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.15214	2.10524	+0.00051	-2.18	5.84	16
Belgium	39.3960	38.6457	+0.0144	-1.90	5.54	14
Germany	1.91007	1.88005	+0.00125	-1.57	5.18	16
Austria	13.4383	13.2277	+0.0084	-1.57	5.18	11
Spain	162.493	160.346	+0.172	-1.32	4.92	9
Denmark	7.28580	7.27098	-0.0046	-0.20	3.74	1
Portugal	195.792	197.402	+0.143	0.82	2.68	-6
France	6.40608	6.48054	-0.00324	1.16	2.34	-10
Ireland	0.792214	0.820174	+0.000228	3.53	0.00	-24
NON ERM MEMBERS						
Greece	292.867	309.075	-0.328	5.53	-1.90	-
Italy	2106.15	2066.68	-7.78	-1.86	5.50	-
UK	0.786652	0.848207	+0.000555	7.82	-3.98	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	94.24	94.27	+0.02	94.27	94.24	51,733	295,9
Mar	94.64	94.67	+0.02	94.70	94.62	107,023	450,3
Jun	94.79	94.87	+0.07	94.88	94.78	108,344	351,1

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	95.08	95.11	+0.04	95.13	95.07	1,041	8,646
Jun	95.23	95.30	-	95.30	95.23	313	1,728
Sep	-	95.31	+0.07	95.31	-	10	35

All Open interest figs. are for previous day

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.6912	0.6876	-0.0035	0.6926	0.6876	17,733	60,067
Mar	0.6950	0.6905	-0.0036	0.6955	0.6905	2,847	13,795
Jun	0.6939	0.6939	-0.0031	0.6939	0.6939	182	1,028

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.9880	0.9858	-0.0007	0.9895	0.9857	10,505	45,795
Mar	0.9990	0.9990	-0.0010	1.0025	0.9990	3,548	23,895
Jun	1.0112	1.0112	-0.0014	1.0112	1.0112	2	614

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.8545	0.8511	-0.0027	0.8560	0.8507	11,772	36,151
Mar	0.8618	0.8581	-0.0031	0.8632	0.8580	2,374	11,290
Jun	0.8682	0.8660	-0.0023	0.8695	0.8660	46	568

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	1.5330	1.5216	-0.0112	1.5338	1.5200	9,087	46,552
Mar	1.5300	1.5204	-0.0102	1.5300	1.5180	3,843	7,770
Jun	-	1.5200	-0.0076	-	1.5200	8	18

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Dec	CALLS Jan	CALLS Feb	PUTS Dec	PUTS Jan	PUTS Feb
1.520	1.46	2.20	2.87	0.30	1.10	1.99
1.530	0.84	1.65	2.39	0.46	1.54	2.40
1.540	0.40	1.20	1.89	0.66	2.09	2.90
1.550	0.16	0.84	1.50	1.24	2.68	3.50
1.560	0.03	0.56	1.17	1.99	3.40	4.15
1.570	-	0.38	0.89	2.80	4.18	4.88

Previous day's vol., Calls 10,626 Puts 24,781. Prev. day's open int., Calls 267,939 Puts 313,170

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Dec	CALLS Jan	CALLS Feb	CALLS Mar	PUTS Dec	PUTS Jan	PUTS Feb	PUTS Mar
9600	0.09	0.35	0.37	0.38	0.02	0.01	0.03	0.04
9625	0.02	0.13	0.18	0.19	0.20	0.04	0.07	0.10
9650	0.01	0.03	0.06	0.07	0.43	0.19	0.22	0.23

Est. vol. total, Calls 1059 Puts 3850. Previous day's open int., Calls 268408 Puts 268732

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
9775	0.09	0.36	0.45	0.02	0.07	0.12
9800	0.03	0.18	0.27	0.21	0.14	0.19
9825	0.01	0.06	0.14	0.44	0.29	0.31

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 11767 Puts 3558

UK INTEREST RATES

LONDON MONEY RATES

Dec 8	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	8 - 6½	6 13/16 - 6⅝	6⅝ - 6 7/16	6 9/16 - 6 7/16	6 7/16 - 6 5/16	6⅜ - 6¼
Sterling CDs	-	-	6 7/16 - 6½	6 15/32 - 6 13/32	6 13/32 - 6 5/16	6 9/32 - 6 7/32
Treasury Bills	-	-	6½ - 6⅜	6 7/16 - 6¼	-	-
Bank Bills	-	-	6 9/16 - 6 7/16	6⅜ - 6¼	6¼ - 6 3/16	-
Local authority deps.	6 13/16 - 6 11/16	6¾ - 6⅝	6 9/16 - 6 7/16	6 7/16 - 6 5/16	6⅜ - 6¼	6 5/16 - 6 3/16
Discount Market deps	7¼ - 6¾	6¾ - 6⅝	-	-	-	-

UK clearing bank base lending rate 6¾ per cent from February 2, 1995

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	3	5¼	5¼	6	6¼

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1½pc.
Ave. tender rate of discount 6.2281pc. ECGD fixed rate Stlg. Export Finance. Make up day Nov 30, 1995. Agreed rate for period Dec 26, 1995 to Jan 25, 1996, Schemes II & III 7.98pc. Reference rate for period Nov 1, 1995 to Nov 30, 1995, Schemes IV & V 6.726pc. Finance House Base Rate 7pc from December 1, 1995

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.51	93.52	-0.02	93.54	93.51	9861	75265
Mar	93.80	93.81	-0.03	93.85	93.78	12584	93467
Jun	93.90	93.93	-0.02	93.98	93.88	13395	63790
Sep	93.87	93.90	-0.04	93.95	93.87	4363	45048
Dec	93.75	93.77	-0.03	93.81	93.74	2587	31780

Also traded on APT. All Open interest figs. are for previous day

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
9350	0.09	0.39	0.56	0.07	0.08	0.15
9375	0.01	0.22	0.41	0.24	0.16	0.23
9400	0	0.10	0.27	0.48	0.29	0.34

Est. vol. total, Calls 5651 Puts 2720. Previous day's open int., Calls 171533 Puts 160371

BASE LENDING RATES

	%		%		%
Adam & Company	6.75	Duncan Lawrie	6.75	* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	10
Allied Trust Bank	6.75	Exeter Bank Limited	7.75	Royal Bk of Scotland	6.75
AIB Bank	6.75	Financial & Gen Bank	7.50	●Singer & Friedlander	6.75
●Henry Ansbacher	6.75	●Robert Fleming & Co	6.75	●Smith & Williamson Secs.	6.75
Bank of Baroda	6.75	Girobank	6.75	TSB	6.75
Banco Bilbao Vizcaya	6.75	●Guinness Mahon	6.75	United Bank of Kuwait	6.75
Bank of Cyprus	6.75	Habib Bank AG Zurich	6.75	Unity Trust Bank Plc	6.75
Bank of Ireland	6.75	●Hambros Bank	6.75	Western Trust	6.75
Bank of India	6.75	Heritable & Gen Inv Bk	6.75	Whiteaway Laidlaw	6.75
Bank of Scotland	6.75	●Hill Samuel	6.75	Yorkshire Bank	6.75
Barclays Bank	6.75	C. Hoare & Co	6.75		
Brit Bk of Mid East	6.75	Hongkong & Shanghai	6.75	● Members of London Investment Banking Association	
●Brown Shipley & Co Ltd	6.75	Julian Hodge Bank	6.75	* In administration	
Citibank NA	6.75	●Leopold Joseph & Sons	6.75		
Clydesdale Bank	6.75	Lloyds Bank	6.75		
The Co-operative Bank	6.75	Meghraj Bank Ltd	6.75		
Coutts & Co	6.75	Midland Bank	6.75		
Credit Lyonnais	6.75	* Mount Banking	6.75		
Cyprus Popular Bank	6.75	NatWestminster	6.75		
		●Rea Brothers	6.75		

■ EUROLIRA OPTIONS (LIFFE) L1000m points of 100%

Strike Price	CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
8950	0.11	0.66	1.04	0.05	0.22	0.27
8975	0.03	0.51	0.87	0.22	0.32	0.35
9000	0.03	0.36	0.71	0.47	0.44	0.44

Est. vol. total, Calls 250 Puts 250. Previous day's open int., Calls 19026 Puts 9213

■ OTHER CURRENCIES

Dec 8	£	$
Czech Rp	40.6323 - 40.6716	26.6110 - 26.6210
Hungary	207.231 - 207.429	135.720 - 135.770
Iran	4583.40 - 4580.70	3000.00 - 3000.00
Kuwait	0.4579 - 0.4588	0.2999 - 0.3003
Poland	3.8646 - 3.8730	2.5310 - 2.5350
Russia	7052.32 - 7051.22	4616.00 - 4618.00
U.A.E.	5.6077 - 5.6122	3.6726 - 3.6734

FT GUIDE to WORLD CURRENCIES
The FT Guide to World Currencies table can be found on the Emerging Markets page in Monday's edition.

LEGAL NOTICES

No. 007155 of 1995

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER OF THE CHANCELLORS GROUP OF ESTATE AGENTS LIMITED
-and-
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 29th day of November 1995 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the above named Company by £28,042,903.

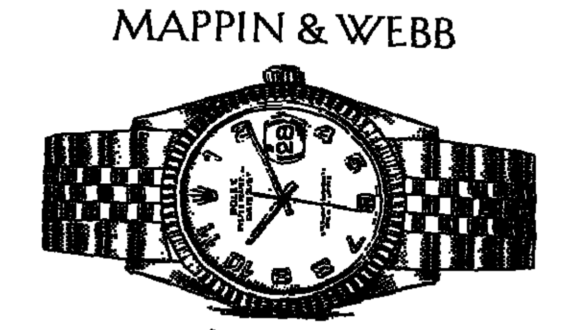
AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on 20th December 1995.

ANY CREDITOR or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of share capital should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned solicitors on payment of the regulated charge for the same.

Dated this 8th day of December 1995

ASHURST MORRIS CRISP
Broadwalk House
5 Appold Street
LONDON EC2A 2HA
Ref. SAW/VCB/125305
Tel: 0171 638 1111
Solicitors for the said Company



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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

FT MANAGED FUNDS SERVICE

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Old Mutual Fund Managers Ltd (1200)H
2 Bartley Way, Hook, Hants RG27 9XA 01256 768888

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Emerging Asia Acc.	5½		211.40	229.80	+0.20	0.14
Emerging Asia Inc.	5½		210.60xd	229.00	+0.20	0.14
European Acc	5½		272.50	282.20	+1.10	0.42
European Inc	5½		257.50	278.10	-1.00	0.42
Hong Kong Acc	5½		177.00	190.00	+0.60	1.36
Hong Kong Inc	5½		152.20	163.40	+0.80	1.36
Int Mngd PEP Acc	5½		72.35	77.59	—	1.41
Int Mngd PEP Inc	5½		66.64	71.46	—	1.41
Japan Acc	5½		108.40	115.80	-0.30	0.00
Japan Inc	5½		108.20	115.50	-0.40	0.00
Latin American Comp Acc	5½		56.67	61.40	+0.05	0.31
Latin American Comp Inc	5½		56.67	61.40	+0.05	0.31
New Zealand Acc	5½		103.30	110.80	+0.30	1.82
New Zealand Inc	5½		95.30	102.40	+0.30	1.82
Nth American Acc	5½		129.80	138.10	-0.20	0.31
Nth American Inc	5½		122.30	131.10	-0.20	0.31
Swiss Equities Acc	5½		85.78	91.21	-0.34	0.11
Swiss Equities Inc	5½		84.38	90.73	-0.34	0.11
Thailand Acc	5½		167.40	182.90	+0.50	1.28
Thailand Inc	5½		163.80xd	178.90	+0.80	1.28
UK All Share Mirror Acc	5½		69.78	74.84	-0.59	2.48
UK All Share Mirror Inc	5½		65.78	70.00	-0.55	2.48
UK Money Mkt Acc	0		75.01	75.01	+0.01	6.41
UK Money Mkt Inc	0		50.24xd	50.24	+0.01	6.41
Worldwide Acc	5½		180.40	193.80	-0.50	0.39
Worldwide Inc	5½		168.80	181.30	-0.40	0.39
W'wide Bond Acc	5½		94.80	100.20	-0.30	4.81
W'wide Bond Inc	5½		67.83	71.44	-0.07	4.81

Broker Unit Trusts

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
AAM Global Equity	6		55.83	59.28	-0.05	2.13
Aegis Income & Growth Acc	3¼	C	53.33	55.84	+0.03	2.98
Aegis Income & Growth Inc	3¼	C	52.33xd	54.80	+0.03	2.98
BMG UK & Int Securities Acc	5¼		52.77	55.61	+0.03	0.00
BMG UK & Int Securities Inc	5¼		52.22	55.55	+0.04	0.00
Berkeley Income Acc	5¼	C	121.60	129.40	—	4.16
Berkeley Income	5¼	C	120.00	127.70	—	4.16
Berkeley Intl Growth	5¼		127.40	135.50	+0.10	0.00
CAM British Gwth Acc	5¼		114.00	122.10	-0.90	0.00
CAM British Gwth Inc	5¼		102.30	108.60	-0.80	0.00
Christows Trustees	5¼		88.09	92.08	+2.07	0.00
Christows Portfolio	5¼		76.87	82.21	+1.71	0.00
Christows Opportunities	5¼		69.07	73.87	+1.48	0.00
Cowrdale Sec Tst Acc	5¼		113.00	123.50	-0.30	0.00
Cowrdale Sec Tst Inc	5¼		113.00	123.50	-0.30	0.00

Royal Bank of Scotland UT Mgmt Ltd (1200)F
Capital House 2, Festival Square, Edinburgh
Investor Helpline 0800 710740 Consultant Helpline
Dealing 0800 833800

	Init Chrge	Notes	Selling Price	Buying Price
Balanced	6	C	120.38	128.73
Growth	6		112.45	120.27
High Yield	4		104.30	108.18
Income	6		110.28	117.93
International Growth	6		123.67	132.27

Royal Life Fd Mgmt Ltd (1000)F
PO Box 34, Peterborough PE2 0UE
General Enq: 01733 390000

	Init Chrge	Notes	Selling Price	Buying Price
United States	6		108.4	116.6
Pacific Basin	5		78.75	84.00
Equity Growth Acc	5		355.3xd	379.9
High Inc Accum	5		251.9	269.2
High Inc Dist	5		145.2	155.1
Ryl Life Intl Chry	5¼		62.82	66.57
Ryl Life Intl Gwth	5¼		76.48	80.50
Ryl Life Inc Spec	5¼		69.29	73.71
UK Emerging Cos	5¼		138.7	149.0
UK Index Tracking ♦	5¼		183.1xd	195.1
European	6		147.8xd	158.7
Managed	6¼		167.2	179.7

Royal London Unit Tst Mgrs Ltd (2200)
Royal Lon Hse, Colchester CO1 1RA

	Init Chrge	Notes	Selling Price	Buying Price
American Growth	5¼		178.1	190.5
European Growth	5¼		121.9	129.3
Far East Growth	5¼		141.1	150.2
Japan Growth	5¼		137.5xd	146.2
Special Sits	5¼		228.7	243.2
UK Growth	5¼		88.35xd	93.96
Triton General	5¼		269.6	286.9

St James's Place UT Group Ltd (1200)
PO Box 14963, Craigforth, Stirling FK9 4ZE

	Init Chrge	Notes	Selling Price	Buying Price
Corporate Bond Inc	3¼		99.37	103.8
Corporate Bond Acc	3¼		99.37	103.8
Far East Inc	5		169.1	178.9
Far East Acc	5		171.7	181.7
Gtr Euro Prog Inc	5		350.4	370.8

INSURANCES

OTHER UK UNIT TRUSTS

PROPERTY UNIT TRUSTS

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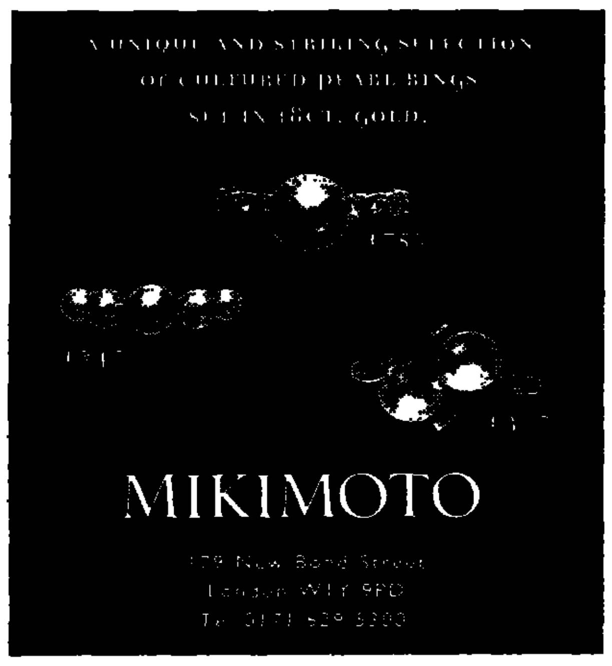
● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.



Money Market Bank Accounts

MANAGEMENT SERVICES

Money Market Trust Funds

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

BERMUDA (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

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Citicorp Investment Mgmt (Luxembourg) SA

Citimarkets SA

Clan European Asset Value Fund

Clemente Korea Emerging Growth Fund

Credit Investment Funds

Merrill Lynch Asset Management - Contd.

Monterey Trust SICAV

Morgan Stanley Sicav

OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Dec 8 / US$)

(4 pm close)

EUROPE

AUSTRIA (Dec 7 / Sch)

BELGIUM/LUXEMBOURG (Dec 8 / Frs.)

DENMARK (Dec 8 / Kr)

FINLAND (Dec 8 / Mks)

FRANCE (Dec 8 / Frs.)

GERMANY (Dec 8 / Dm.)

ITALY (Dec 7 / Lire)

NETHERLANDS (Dec 8 / Fls.)

NORWAY (Dec 8 / Kroner)

SPAIN (Dec 7 / Pts.)

SWEDEN (Dec 8 / Kronor)

SWITZERLAND (Dec 8 / Frs.)

CANADA (Dec 8 / Can. $)

(4 pm close)

AFRICA

SOUTH AFRICA (Dec 8 / Rand)

PACIFIC

JAPAN (Dec 8 / Yen)

AUSTRALIA (Dec 8 / Aust$)

HONG KONG (Dec 8 / H.K.$)

MALAYSIA (Dec 8 / MYR)

SINGAPORE (Dec 8 / S$)

INDICES

	Dec 8	Dec 7	Dec 6	1995 High		1995 Low	
Argentina							
General (29/12/77)	(c)	14763.13	14984.66	16531.10	2/1	9831.09	9/3
Australia							
All Ordinaries(1/1/80)	2166.1	2198.2	2198.6	2203.30	5/12	1823.30	8/2
All Mining(1/1/80)	1010.9	1015.4	1014.0	1029.60	7/8	795.30	8/2
Austria							
Credit Aktien(30/12/84)	(c)	349.62	337.46	395.42	2/1	328.60	27/10
Traded Index(2/1/91)	(c)	965.41	946.22	1058.31	2/1	882.15	23/10
Belgium							
BEL20 (1/1/91)	1516.43	1509.88	1505.79	1516.43	8/12	1271.53	9/3
Brazil							
Bovespa (29/12/83)	(u)	43188.0	43036.0	49612.00	19/9	21382.00	9/3
Canada							
Metals Minls♦(1975)	(u)	5184.59	5247.24	5266.37	23/11	3806.63	1/3
Composite♦ (1975)	(u)	4724.30	4745.10	4745.10	6/12	3991.41	30/1
Portfolio§§ (4/1/83)	(u)	2323.16	2337.00	2337.00	6/12	1953.36	30/1
Chile							
IGPA Gen♥(31/12/80)	(c)	5605.44	5645.19	6363.10	11/7	4576.98	9/3
Denmark							
CopenhagenSE(3/1/83)	366.32	367.51	365.75	375.44	25/8	330.01	29/3
Finland							
HEX General(28/12/90)	1843.57	1860.44	(c)	2332.22	14/9	1555.38	29/3
France							
SBF 250 (31/12/90)	1225.56	1219.00	1213.74	1322.30	12/5	1164.41	13/3
CAC 40(31/12/87)	1856.33	1846.80	1834.75	2017.27	12/5	1721.14	23/10
Germany							
FAZ Aktien(31/12/58)	809.83	814.12	810.57	846.76	19/9	708.87	30/3
Commerzbank(1/12/53)	2345.6	2355.4	2346.6	2427.60	19/9	2018.70	30/3
DAX (30/12/87)‡	2267.50	2263.11	2267.13	2317.01	15/9	1910.96	28/3
Greece							
Athens SE(31/12/80)	901.35	908.44	909.68	982.59	4/8	787.15	16/3
Hong Kong							
Hang Seng(31/7/64)	9863.61	9863.98	9898.89	10032.93	17/10	6967.93	23/1
India							
BSE Sens.(1979)	3083.32	3132.19	3089.92	3932.09	2/1	2922.16	29/11
Indonesia							
Jakarta Comp.(10/8/82)	506.12	502.82	496.23	519.18	11/8	414.21	19/4
Ireland							
ISEQ Overall(4/1/88)	2250.49	2260.71	2253.08	2260.71	7/12	1813.59	23/1
Italy							
Banca Comm Ital (1972)	(c)	559.21	553.31	688.54	10/2	547.79	5/12
MIB General (2/1/85)	(c)	863.0	874.0	1076.60	10/2	865.00	5/12
Japan							
Nikkei 225 (16/5/49)	19286.97	19412.32	19067.88	19884.04	4/1	14485.41	3/7
Nikkei 300 (1/10/82)	287.35	289.22	283.90	289.22	7/12	222.28	13/6
Topix (4/1/68)	1527.34	1536.91	1510.38	1553.40	4/1	1193.16	13/6
2nd Section (4/1/68)	2008.86	1994.19	1976.77	2139.88	4/1	1441.90	13/6
Malaysia							
KLSE Comp (4/4/86)	976.96	986.00	995.76	1085.04	5/6	840.87	24/1
Mexico							
IPC (Nov 1978)	(c)	2667.20	2680.87	2724.58	29/11	1447.52	27/2
Netherland							
CBS TtRtnGen(End 83)	523.2	521.7	524.2	524.20	6/12	422.90	23/3
CBS All Shr (End 83)	316.8	315.9	317.4	317.40	6/12	266.20	23/3
New Zealand							
Cap. 40 (1/7/86)	2120.52	2116.30	2131.31	2206.02	20/10	1991.43	5/1
Norway							
Oslo SE(Ind)(2/1/83)	1238.88	1244.05	1234.38	1292.16	18/10	1036.00	10/3
Philippines							
Manila Comp (2/1/85)	2500.84	2537.18	2572.16	2958.12	10/7	2196.48	20/11
Portugal							
BTA (1977)	(c)	2488.8	2485.7	2911.88	9/1	2412.89	22/11
Singapore							
SES All-S'pore(2/4/75)	525.71	527.68	527.41	535.06	5/1	472.90	23/1
South Africa							
JSE Gold (28/9/78)	1370.8♥	1353.6	1350.1	2023.00	2/1	1250.29	30/10
JSE Indl. (28/9/78)	7870.6♥	7939.3	7815.7	7939.38	7/12	6222.00	31/1
South Korea							
KoreaCmpEx(4/1/80)**	958.67	960.57†	954.61	1027.37	2/1	847.09	27/5
Spain							
Madrid SE (30/12/85)	(c)	313.17	(c)	318.98	13/9	264.06	23/3
Sweden							
AffarsvardnGen (1/2/37)	1719.3	1727.8	1738.6	1872.19	18/3	1439.80	29/3
Switzerland							
Swiss Bk Ind (31/12/58)	1493.85	1493.34	1504.69	1509.68	4/12	1174.88	13/3
SBC General (1/4/87)	1112.44	1111.67	1120.94	1120.94	6/12	878.58	13/3
Taiwan							
WeightedPr.(30/6/66)**	4836.04	4748.64	4722.83	7051.49	5/1	4503.37	14/8
Thailand							
Bangkok SET (30/4/75)	1262.64	1269.65	1275.63	1472.04	10/7	1135.89	16/3
Turkey							
Istanbul Cmp (Jan 1986)	41846.4	41356.9	40953.0	54893.80	21/4	24844.31	23/1
WORLD							
MS Capital Int (1/1/70)$	725.2*	728.3	727.5	728.30	7/12	586.21	23/1
CROSS-BORDER							
Eurotrack 100(26/10/90)	1467.57	1452.47	1464.49	1480.69	15/9	1222.41	13/3
Euro Top-100 (26/6/90)	1314.90	1312.35	1315.95	1316.68	15/9	1117.34	9/3
JCapelDrgns (31/12/88)	(u)	335.54	336.63	349.47	14/7	282.07	23/1
Barings Emerg.(7/1/92)	144.55	145.29	144.93	158.07	2/1	117.15	10/3

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
CAC-40 (200 x Index)							
Dec	1855.0	1865.0	+8.5	1870.0	1841.0	15,143	41,876
Jan	1863.5	1873.5	+8.5	1878.5	1852.5	876	3,935
DAX							
Dec	2259.5	2278.0	+13.5	2288.0	2256.5	22,171	-
Mar	2283.0	2299.5	+14.0	2309.0	2278.5	3,530	-
OMX							
Dec	1364.00	1354.50	-14.50	1364.00	1352.00	3,927	14,265
Jan	1374.25	1367.00	-18.25	1374.25	1362.00	150	488
SOFFEX							
Dec	3239.0	3244.1	+1.1	3255.9	3231.0	5,666	14,027
Jan	3255.0	3251.7	+20.0	3265.0	3245.0	832	2,738

** Sat Dec 2. Taiwan Weighted Price (c) : Korea Comp Ex 931.23. Base values of all Indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7, JSE 26 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Dec 8 - 2277.70 +17.08.

US INDICES

Dow Jones	Dec 7	Dec 6	Dec 5	1995 High	1995 Low	Since compilation High	Since compilation Low
Industrials	5159.39	5199.13	5177.45	5199.13 (6/12)	3832.08 (30/1)	5199.13 (6/12/95)	41.22 (2/7/32)
Home Bonds	104.96	105.14	105.20	105.28 (5/12)	93.93 (3/1)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	2076.74	2086.61	2092.11	2092.11 (5/12)	1473.19 (3/1)	2092.11 (5/12/95)	12.32 (8/7/32)
Utilities	218.36	221.13	220.14	221.13 (6/12)	183.03 (3/1)	268.48 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 5211.05 (5234.53) Low 5124.35 (5147.47) (Theoretical♦)
Day's high 5198.41 (5209.25) Low 5148.55 (5168.76) (Actual♦)

Standard and Poors	Dec 7	Dec 6	Dec 5	1995 High	1995 Low	Since compilation High	Since compilation Low
Composite ‡	616.17	620.18	617.68	620.18 (6/12)	459.11 (3/1)	620.18 (6/12/95)	4.40 (1/6/32)
Industrials♥	724.04	727.60	724.95	727.60 (6/12)	546.28 (3/1)	727.60 (6/12/95)	3.62 (21/6/32)
Financial	62.76	63.66	63.21	63.66 (6/12)	41.64 (3/1)	63.66 (6/12/95)	8.64 (1/10/74)
NYSE Comp.	328.77	330.83	329.79	330.83 (6/12)	250.73 (3/1)	330.83 (6/12/95)	4.46 (25/4/42)
Amex Mkt Val	535.71	537.59	539.41	553.58 (12/9)	433.12 (6/1)	553.58 (12/9/95)	29.31 (9/12/72)
NASDAQ Cmp	1053.18	1061.73	1065.89	1069.79 (4/12)	743.58 (3/1)	1069.79 (4/12/95)	54.87 (31/10/72)

RATIOS

	Dec 1	Nov 24	Nov 17	Year ago
Dow Jones Ind. Div. Yield	2.30	2.32	2.35	2.84
	Dec 6	Nov 29	Nov 22	Year ago
S & P Ind. Div. yield	1.95	2.00	2.01	2.48
S & P Ind. P/E ratio	18.98	18.84	18.36	18.29

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Hanson	12,279,700	14¾	+⅛
Micron	6,307,100	51⅛	+¼
K-Mart	4,264,000	7⅝	-⅛
LSI Logic	4,218,700	36⅛	-1½
Dresser	3,678,800	23⅝	-¼
Motorola	3,474,900	61	+⅝
Wal-Mart	3,392,200	23⅝	-⅝
Citicorp	3,196,500	69⅝	-2¼
Nokia A	3,089,800	47⅛	-1⅛
Texas Insts	2,866,500	53⅛	-⅝

TRADING ACTIVITY

● Volume (million)	Dec 7	Dec 6	Dec 5
New York SE	379.265	420.842	434.000
Amex	22.345	24.271	25.567
NASDAQ	503.076	580.541	579.120
NYSE			
Issues Traded	3,097	3,108	3,108
Rises	860	1,270	1,399
Falls	1,567	1,060	961
Unchanged	670	758	746
New Highs	159	327	348
New Lows	23	23	21

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
S&P 500							
Dec	618.50	619.00	+2.35	619.50	618.00	37,578	127,481
Mar	622.30	624.65	+2.26	625.20	621.40	78,064	101,175

	Open	Sett price	Change	High	Low	Est. vol.	Open Int.
Nikkei 225							
Mar	19480.0	19310.0	-170.0	19510.0	19200.0	44,044	121,157
Jun	19400.0	19260.0	-200.0	19450.0	19260.0	406	17,352

Open interest figures for previous day.

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

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WORLD STOCK MARKETS

AMERICA

Rates uncertainty leaves Dow mixed

Wall Street

US share prices were mixed in early trading yesterday as uncertainty about the prospects for an interest rate cut later this month led to a volatile session, *writes Lisa Bransten in New York*.

The Dow Jones Industrial Average moved through positive and negative territory as bonds waxed and waned. By 1 pm the Dow was 5.06 lower at 5,154.33, while the Standard & Poor's 500 rose 0.49 at 616.66. The American Stock Exchange composite fell 1.57 at 534.14. Volume on the NYSE came to 199m shares.

Bond prices rocketed in early trading after the labor department released November employment figures that supported the view that the economy was slowing gradually.

Although the addition of 166,000 non-farm jobs was in line with economist's expectations, the labor department revised October's figures down to 66,000 from 112,000 it originally reported.

But analysts were divided about whether the jobs figure was weak enough to spur the Federal Reserve to cut interest rates at the December 19 meeting of its open market committee.

Mr Mark Cliffe of HSBC Markets Research said the report "points to a gradual weakening in the labour market, however, this may not be enough in itself for the Fed to ease on December 19".

For the fourth time in five sessions, the long bond yield sank below 6 per cent. But as in the previous sessions, Treasuries could not hold onto their session highs and by early afternoon the 30-year Treasury was up just over half a point to yield 6.049 per cent.

The technology-laden Nasdaq composite added 3.09 at 1,048.99 to reverse part of the 16.62 points it had lost since Monday. Microsoft, the largest company on the Nasdaq, got a boost on reports that an analyst at Cowen & Co upgraded the stock to "strong buy" from "buy". Shares in the software giant added $3 at $93¾.

Several computer makers were also stronger. Dell Computers added $1¼ at $38¼ and Hewlett-Packard was up $4¼ at $86¾ after Donaldson, Lufkin & Jenrette put the company on its recommended list.

Davidson & Associates fell $7¼ or 29 per cent to $17¾ after announcing that fourth quarter revenues would be lower than expected. The company said it expected earnings of 14 cents to 18 cents a share in the quarter compared to the mean analyst estimate of 20 cents a share.

Canada

Toronto remained in positive territory in midday trade, helped by rallying North American bond markets. The TSE-300 Composite index was 7.77 higher by 1 pm at 4,732.07, in volume of 39.3m shares.

Baton Broadcasting rose C$1⅞ to C$11⅞ after a subsidiary of Eaton, the retailer, said that it might buy the Baton shares it did not already hold.

Bank of Montreal eased C$¼ to C$31⅛ as it dismissed as speculation reports that it was discussing an equity stake in the banking unit of Mexico's Grupo Financiero. Canadian Imperial Bank of Commerce picked up C$⅝ to C$40½ in heavy trade.

High technology stocks were mixed. Softkey Software Products was flat at C$45 while Alphanet Telecom gave up C$1⅞ to C$31⅞.

Latin America

With many of the region's markets closed activity in those that remained open was weak.

MEXICO CITY could barely mount an upward move and by midsession the IPC index was up just 2.97 at 2,670.17.

SAO PAULO was slightly weaker as most investors chose to sit out the session ahead of the forthcoming settlements of futures and options. The futures index contracts will be liquidated next Monday, while the options are to be settled on December 18.

By noon the Bovespa index was off 208.54 at 42,979.

French equities remain set firmly on the rails

Andrew Jack assesses implications of strike action

France's more radical union leaders embroiled in industrial action in the last two weeks have taken a dismissive view of how the financial markets would react, arguing that "they can look after themselves". Ironically, it seems that they may well be right, although perhaps not in the way they imagine.

Mr Marc Blondel, leader of Force Ouvrière, had a blunt, negative view after Mr Alain Juppé, the prime minister, unveiled his proposed reforms of the country's social security system in late November. He said they were ideas designed to please the markets.

If that was the case, they certainly had their effect. The intriguing factor is that equities and bonds have continued to respond positively even as the resilience Mr Blondel and some of his colleagues have continued to dig in their heels.

The CAC-40 index was in decline for much of the year, dropping almost continually from a peak when President Jacques Chirac won the presidential election contest in May until mid-October, with a brief rally in the summer.

The decisive turning point came in late October, when Mr Chirac gave a rare television interview. For the first time, he switched priorities away from his dual pledge of reducing social division while cutting the budget deficit. For the next two years, he said, France needed to accept rigour.

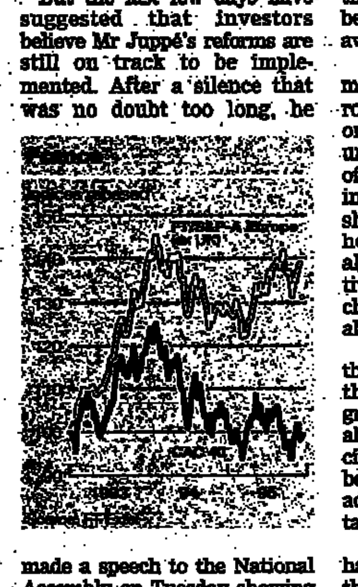
For a man who had built a campaign largely on the slogan of "France for everyone", it was an important shift, and one that appealed to investors who had long been sceptical of the country's willingness to stick to its promises and cut the budget deficit.

The Maastricht target for monetary union, which requires cutting the budget deficit from its current 5 per cent to 3 per cent by 1997, suddenly began to be taken more seriously.

Then Mr Juppé, who had been criticised for doing so little for so long, suddenly unveiled a string of reforms during November: aid to small business, a restructuring of SNCF, and most importantly, changes designed to put the welfare system on a sounder financial base.

As trains and public transport services around the country have ground to a halt in response, with unions claiming that the basis of the French welfare state is under threat, it seemed at first as though the markets would come off the rails, with the CAC 40 dropping sharply.

But the last few days have suggested that investors believe Mr Juppé's reforms are still on track to be implemented. After a silence that was no doubt too long, he



made a speech to the National Assembly on Tuesday showing his determination to continue, while hinting at some possible concessions.

The result is that equities have been recovering, and bond yields dropping. The CAC-40 closed yesterday at 1,856, up 2 per cent on the week. To add to the positive news for investors, the Bank of France last Thursday took the markets by surprise by announcing a 10 basis point cut in a key interest rate.

It did so in spite of the fact that it was on a day of national action, with as many as one million people on the streets demonstrating across the country – including about a third of its own employees.

"I think it was sending a message to say well done to the government, to encourage it to stick to its guns," says Mr David Harrington, market strategist with James Capel in Paris.

While the French public has a long history of violent reaction to proposals for reform – particularly ones that come without much apparent negotiation with the unions in advance – the markets seem to believe that Mr Juppé will eventually hold sway.

As the winter weather draws in, the demands of the strikers have become less focused and the government seems to believe public support will fade away.

That does not necessarily mean that everything will be rosy for investors. The economy is slowing down fast, unemployment shows no signs of falling and consumer spending has already suffered a sharp decline. The strike – however soon it ends – is already having a strong negative impact on Christmas purchases, and causing considerable damage to businesses.

Mr Harrington argues that these factors in turn will harm the government, slowing growth further and limiting its ability to keep the budget deficit for this year to FFr322bn because revenues from value added tax will be below expectations.

Not surprisingly economists have been busily downgrading their forecasts of GDP growth for next year, in the range of 1.5 per cent to 2 per cent. Meanwhile, the prospects for equities do not look good. It seems 1995 will prove less profitable than 1994 for French quoted companies, and earnings may suffer a further drop next year.

For Mr Hervé Guez, head of the French desk of Merrill Lynch, says he market has already anticipated these changes. He has been recommending equity investment in the country for the last month.

Mr Harrington remains more cautious. "We are underweight in the long-term in equities. Earnings are under pressure and the market is not cheap," he says. He believes the bond market remains a more attractive option at the moment, given the government's concern to reduce its debt.

EUROPE

Zurich welcomes Elektrowatt offer for L&G

A rising dollar and an early steady tone on Wall Street helped **ZURICH** to overcame early weakness. The SMI index picked up 0.9 to 3,246.6 but was 0.4 per cent easier on the week.

Elektrowatt picked up SFr19 to SFr372 as its plan to buy Landis & Gyr for SFr950 a share was given a broad welcome. L & G jumped SFr210 to SFr940. BB Industrie, which holds a 7 per cent stake in L & G, rose SFr60 to SFr1,960.

Sulzer lost SFr14 to SFr646, pressured by worries that it could be hurt by increased competition if the Elektrowatt-L & G deal went through.

CS Holding picked up SFr2 to SFr115 and Winterthur was SFr13 to SFr13 to SFr801 as the market gave a positive reception to their collaboration plans.

Ciba registered shares, under pressure earlier in the week fell to a low of SFr986 before the firmer dollar helped the share up to close SFr4 weaker at SFr990.

Nestlé gave up SFr9 of recent gains to close at SFr1,273 on profit-taking.

FRANKFURT found support in quiet trading from the dollar's recovery as well as firmness in domestic bonds. The

FT-SE Actuaries Share Indices

Dec 8								THE EUROPEAN SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1463.05	1461.88	1461.08	1461.57	1461.78	1462.21	1467.28	1467.57
FT-SE Eurotrack 200	1560.33	1559.00	1558.95	1560.03	1562.12	1564.48	1569.29	1566.07

	Dec 7	Dec 6	Dec 5	Dec 4	Dec 1
FT-SE Eurotrack 100	1462.47	1464.48	1452.97	1446.02	1457.86
FT-SE Eurotrack 200	1565.72	1568.69	1560.55	1557.68	1564.66

Base 1000 (26/10/90). High/day: 100 - 1468.20; 200 - 1569.33 Low/day: 100 - 1460.15 200 - 1558.40 † Partial

Ibis Dax closed at 2,277.70, up 10.20 from the floor close, but off an afternoon high of 2,284.02. The market rose 0.5 per cent on the week. Turnover was DM6.2bn.

Merck lost DM2.78 to DM58.55 as some brokers moved to underweight the stock following its nine month figures. Goldman Sachs, for instance, yesterday rated the shares a market underperformer on valuation grounds.

AMSTERDAM moved higher with the AEX climbing 1.35 to 478.38, barely changed on the week.

The market, which had opened on the downside, regained its strength partly because of hgiher hopes for a cut in German interest rates next week.

The publishing sector was active as investors were worried by reports of a difficult year ahead for the industry. Elsevier lost 80 cents to Fl 20.60, Wolters Kluwer fell Fl 2.50 to Fl 143.70 and VNU eased Fl 1.30 to Fl 219.00.

Among the financials Fortis Amev closed Fl 2.50 higher at Fl 106.70, while Unilever strengthened Fl 4.60 to Fl 227.

OSLO was lifted by a late rally in Kvaerner, the engineering and shipbuilding group, which helped lift the Norwegian bourse off its intra-session lows.

Kvaerner B initially jumped NKr10 after announcing that it had secured a NKr1bn order for two chemical carriers. The shares then eased back slightly to close up NKr5 at NKr194.

The Total share index finished down 3.29 at 723.85, in turnover of NKr655m.

STOCKHOLM saw falls in heavily weighted Ericsson and Astra, with banking stocks coming off early lows on a late rebound in the bond market.

The Affärsvärlden general index fell 8.5 to 1,719.3.

Pharmacia & Upjohn bucked negative trends to rise SKr4.50 or 1.9 per cent to SKr247 ahead of a US Food and Drug Administration meeting which was expected to recommend approval for one of its drugs.

Volvo jumped SKr3 or 2.2 per cent to SKr137 on reports of brokers' upgrades.

HELSINKI fell steadily on Nokia, which hit a 25-week low before a partial recovery. The Hex index slipped 16.87 or 1.1 per cent to 1,843.57, for a decline of nearly 4 per cent on the week.

Nokia A fell FM5 to FM210.

BRUSSELS saw a late surge, encouraged by a stronger dollar and firmer bonds, which took shares close to their highs for the year. The Bel-20 index added 6.55 to 1,516.48, up 0.4 per cent on the week, and just short of the 1,517.19 high for the year. The dollar sensitive Union Miniere added BFr40 to BFr1,920.

ISTANBUL recorded selective gains amid activity buoyed in those sectors which were expected to benefit from the country's customs union with the European Union, due to be approved by the European Parliament next week. The composite index rose 516.17 or 1.25 per cent to 41,873.10.

ATHENS put in another weak performance as the market continued to focus on on the question of a successor to the prime minister, Mr Andreas Papandreou, who remained in hospital for the 19th day.

The general share index finished lower 7.09 lower at 901.35, unchanged on the week.

Written and edited by Michael Morgan and John Pitt

SOUTH AFRICA

Johannesburg finished the week mixed, with industrials slipping from their record highs and golds making the most of a marginally better metal price. The overall index gave up 29.2 to 6,210.8, industrials fell 68.7 to 7,870.6 and golds picked up 17.2 to 1,370.8.

Mining financials showed moderate gains, with Anglos up R1 to R230 and De Beers 50 cents higher at R112.50.

ASIA PACIFIC

Nikkei easier as Taiwan advances by 2%

Tokyo

Equities were hit by profit-taking and position adjustment after settlement of December futures and options and ahead of the weekend, *agencies report from Tokyo*.

The Nikkei average shed 125.35 to 19,286.97, having added 532.79 points over the last two days. The index rose 2.4 per cent on the week.

Volume was 1.1bn shares, inflated by the settlement of futures.

The Topix index shed 9.57 or 0.6 per cent to 1,527.34, while the 300-share Nikkei index slipped 1.87 to 287.35.

In London, the ISE/Nikkei 50 index was up 0.06 at 1,325.12.

Of the 1,256 listed issues, losers outnumbered gainers, with 702 lower, 402 higher and 125 unchanged.

Toshiba, the most heavily traded share with volume of 30.9m shares, put on Y1 to Y805 as it benefitted from the latest market fever over digital video discs. Mitsubishi Heavy lost Y6 to Y847.

The top gaining sector was cars, with Toyota Motor up Y10 at Y2,050 and Honda Motor up Y60 at Y1,970, a new 1995 high. Nichiei Construction added Y100 to Y1,050.

Roundup

Strong buying of electronics issues overcame early weakness in **TAIPEI** on news that prosecutors had started investigation into an alleged excessive loan case. The weighted index made 87.40 or 1.8 per cent to 4,836.04 in turnover of T$38bn, for a 0.5 per cent gain on the week.

Brokers said some institutions started window-dressing before the end of this calendar year and this move triggered buying from small investors.

The electronic sector led the gains, rising 2.9 per cent as a group: Chingtex soared T$1.30 to T$31.60 and GVC jumped T$2.70 to T$43.90.

HONG KONG lacked fresh incentives and while rumours about HSBC Holdings shares being placed by a fund subsided, fears of possible cash calls by other blue chip companies continued to overhang the market. The Hang Seng Index closed just 0.37 weaker at 9,863.61, little changed on the week, in turnover that fell to HK$2.6bn.

SINGAPORE encountered mild profit-taking on blue chips but renewed interest in speculative counters with Indonesian ties and the Straits Times Industrial index fell 11.72 to 2,148.06.

KUALA LUMPUR was content to extend Thursday's consolidation, which came after an eight day winning streak and the composite index finished 9.04 weaker at 976.96, little changed on the week.

Damansara Realty rose 20 cents to M$1.90 in heavy volume, helped by a newspaper report that the Johor State Economic Development Corp planned to raise its stake in the company to 32 per cent.

SEOUL ended in negative territory as profits were taken and the composite index lost 1.9 to 958.67, but was still 2.5 per cent higher on the week.

Technology stocks continued to attract interest in a generally slow market. Samsung Electronics climbed Won3,000 to Won162,500 while Trigem Computer, among the most actively traded shares, rose Won1,300 to Won24,400.

SHANGHAI's hard currency B shares finished at their low for the year as investors were encouraged by the markets recent slide to continue selling blue chips. The index lost 0.665 or 1.3 per cent to 49.718.

MANILA slid at the close, with the index slightly above its 2,500-point support level as investors cashed in profits for the second consecutive session.

The composite index lost 36.34 to 2,500.84 points, a week's fall of 1.8 per cent. Turnover was 3.3bn pesos.

Prime Property, which was making its market debut, gained support, closing at 14.25 pesos from its offer price of 13.83 pesos.

BANGKOK was lower on a bout of moderate profit taking by local retail investors and mutual funds. The SET index fell 7.02 to 1,262.64, up 3.5 per cent on the week, on Bt4.3bn turnover.

BOMBAY was weak as the market's four day rally gave way to profit-taking and the BSE-30 index fell 48.87 or 1.6 per cent to 3,083.82, but was still 1.5 per cent higher on the week.

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by The Financial Times Ltd., Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by The Financial Times and Goldman Sachs in conjunction with the Institute of Actuaries and the Faculty of Actuaries. NatWest Securities Ltd. was a co-founder of the indices.

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY DECEMBER 7 1995 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY DECEMBER 6 1995 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (82)	188.55	0.0	181.79	120.60	141.31	169.62	0.1	3.89	188.57	181.50	120.92	141.49	169.50	191.01	157.95	167.12
Austria (27)	174.14	1.7	167.83	111.38	130.51	130.42	1.6	1.59	171.21	164.79	109.78	128.46	128.38	199.26	167.48	179.23
Belgium (35)	200.88	0.5	193.67	128.48	150.55	146.88	0.3	3.56	199.91	192.41	128.18	149.99	146.37	201.64	164.76	166.41
Brazil (28)	139.51	0.2	134.50	89.23	104.56	248.14	0.2	1.70	139.22	134.00	89.27	104.46	247.63	180.75	88.06	170.90
Canada (101)	148.10	-0.8	142.79	94.73	111.00	146.63	-0.8	2.53	149.22	143.62	95.68	111.96	147.56	150.83	121.81	127.89
Denmark (33)	288.25	0.7	277.90	184.36	216.03	218.61	0.6	1.49	286.13	275.39	183.47	214.68	217.43	295.99	236.61	242.70
Finland (25)	212.14	-0.4	204.53	135.69	159.00	191.80	-0.5	1.67	213.07	205.07	136.62	169.86	192.62	276.11	171.13	182.00
France (100)	174.74	0.5	168.47	111.76	130.96	136.23	0.5	3.22	173.89	167.37	111.50	130.47	135.57	191.17	157.79	168.13
Germany (59)	162.18	0.2	156.38	103.73	121.55	121.55	0.1	1.98	161.86	155.79	103.79	121.45	121.45	167.74	135.39	138.34
Hong Kong (55)	378.22	-0.3	364.66	241.91	283.47	375.57	-0.3	3.90	379.49	365.26	243.34	284.74	376.88	389.38	277.40	331.03
Ireland (16)	257.05	-0.2	247.83	164.41	192.66	227.86	0.1	3.35	257.48	247.82	165.10	193.19	227.73	260.87	195.34	196.84
Italy (59)	69.39	1.4	66.90	44.38	52.01	82.42	1.1	1.77	68.43	65.86	43.88	51.34	81.49	82.71	65.45	72.06
Japan (483)	153.97	2.1	148.45	98.48	115.40	98.48	1.8	0.77	150.80	145.15	96.70	113.15	96.70	164.82	136.95	153.41
Malaysia (108)	480.94	-1.0	463.69	307.61	360.46	470.05	-1.0	1.75	485.58	467.38	311.37	364.35	474.97	561.96	398.16	466.88
Mexico (18)	991.97	-0.6	956.38	634.47	743.45	8356.61	-0.1	1.66	997.70	960.28	639.74	748.57	8366.70	2082.03	647.81	2082.03
Netherland (19)	265.71	-0.3	256.18	169.95	199.15	195.83	-0.4	3.33	266.43	256.44	170.84	199.91	196.69	268.70	207.60	209.66
New Zealand (14)	77.07	-0.9	74.30	49.29	57.76	63.25	-0.8	4.59	77.76	74.84	49.86	58.34	63.78	85.49	69.56	71.49
Norway (33)	228.78	1.0	220.57	146.33	171.46	196.84	0.7	2.13	226.50	218.00	145.23	169.94	195.43	243.79	196.73	203.67
Singapore (44)	390.01	0.1	376.03	249.46	292.31	254.01	0.1	1.60	389.59	374.98	249.81	292.31	253.82	414.26	313.94	359.18
South Africa (45)	390.55	2.1	376.54	249.80	292.70	312.85	2.1	3.81	382.55	368.20	245.29	287.02	306.56	390.55	261.06	323.54
Spain (38)	158.77	-0.0	153.07	101.55	118.99	147.71	-0.2	3.96	158.77	152.82	101.81	119.13	148.07	160.51	124.10	141.03
Sweden (47)	312.74	-1.5	301.53	200.03	234.40	306.60	-0.6	1.96	317.44	305.54	203.55	238.18	308.40	321.99	225.80	228.96
Switzerland (40)	227.75	-0.9	219.58	145.67	170.69	164.95	-0.9	1.81	229.80	221.18	147.35	172.42	166.51	230.31	158.38	158.94
Thailand (46)	165.24	-0.5	159.32	105.69	123.85	161.28	-0.5	2.52	166.06	159.83	106.48	124.60	162.06	184.55	130.15	154.80
United Kingdom (206)	225.18	-0.7	217.10	144.03	168.77	217.10	-0.6	4.04	226.83	218.33	145.45	170.20	218.33	228.38	187.07	191.36
USA (639)	251.60	-0.6	242.57	160.92	188.58	251.60	-0.6	2.22	253.22	243.72	162.37	189.99	253.22	253.22	182.33	184.82
Americas (786)	229.22	-0.6	221.00	146.61	171.79	192.68	-0.6	2.22	230.69	222.04	147.92	173.09	193.90	230.69	170.66	172.67
Europe (737)	196.35	-0.3	189.30	125.58	147.16	167.65	-0.2	3.04	196.87	189.49	126.24	147.71	168.04	199.02	169.04	169.53
Nordic (138)	280.63	-0.7	270.56	179.49	210.32	237.82	-0.2	1.85	282.56	271.96	181.18	212.00	238.37	295.02	215.79	220.06
Pacific Basin (832)	163.85	1.7	157.97	104.80	122.80	108.73	1.4	1.21	161.17	155.13	103.34	120.93	107.17	171.87	145.93	160.86
Euro-Pacific (1569)	177.28	0.8	170.92	113.39	132.86	131.10	0.7	2.06	175.94	169.34	112.82	132.01	130.23	178.33	154.73	169.14
North America (740)	245.21	-0.7	236.41	156.83	183.77	244.57	-0.6	2.23	246.80	237.54	158.25	185.17	246.15	246.80	178.98	181.09
Europe Ex. UK (531)	176.45	-0.0	170.12	112.86	132.24	140.70	0.0	2.48	176.45	169.83	113.14	132.39	140.76	179.46	148.45	149.49
Pacific Ex. Japan (349)	259.63	-0.3	250.32	166.06	194.59	229.24	-0.3	3.23	260.52	250.76	167.05	195.48	230.01	266.72	211.19	235.31
World Ex. US (1761)	178.34	0.7	171.94	114.07	133.66	134.93	0.7	2.10	177.03	170.39	113.52	132.83	134.05	178.73	155.42	164.90
World Ex. UK (2194)	198.37	0.2	191.25	126.88	148.67	163.71	0.2	1.98	197.89	190.47	126.89	148.48	163.43	198.37	163.46	168.47
World Ex. Japan (1917)	227.25	-0.5	219.10	145.35	170.32	213.13	-0.4	2.59	228.28	219.72	146.38	171.28	214.06	228.28	178.95	181.46
The World Index (2400)	200.75	0.1	193.55	128.40	150.46	168.47	0.1	2.15	200.45	192.93	128.53	150.39	168.30	200.75	165.92	170.49

Latest prices were unavailable for this edition.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Apr	Jul	Puts Jan	Apr	Jul	Option		Calls Feb	May	Aug	Puts Feb	May	Aug
ASDA	100	7½	11	15	3½	6½	7½	Grand Met	420	31½	40½	48½	11	14½	20½
(*103½)	110	3	7	10½	9	11½	13	(*445)	460	11	21	30½	32½	35½	41
Allied Domecq	460	42	54½	58½	1½	6	11½	Guinness	420	41	46½	51½	4½	10	13
[illegible]								[illegible]							

FT GOLD MINES INDEX

Gold Mines Index (34)	[illegible]							
■ Regional Indices								
Africa (16)	[illegible]							
Australasia (3)	[illegible]							
North America (12)	[illegible]							

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RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	4	49	18	126	166	63
Other Fixed Interest	0	0	14	10	2	58
Mineral Extraction	107	39	81	435	248	452
General Manufacturers	106	159	398	573	742	2,018
Consumer Goods	37	63	124	208	272	640
Services	73	128	338	495	536	1,688
Utilities	14	20	21	74	108	93
Financials	90	82	235	445	415	1,175
Investment Trusts	95	78	427	641	339	2,024
Others	65	25	51	261	189	268
Totals	593	643	1,707	3,268	3,017	8,459

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

Calls: Advanced Media, Benson, Chiroscience, Cray Elect., Dana Expln., Glencar Expln., Hanson, ts Wrrnts., Memory Corp., On Demand, Pelon, Rolls-Royce, Tullow Oil, Utd. Energy, Videologic Puts: Brit. Vita, Rexam

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1995 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
100	F.P.	24.5	99	98	Abtrust High Inc C	98		-	-	-	-
-	F.P.	2.13	10	9	†Arion Props	9		v-	-	-	-
308	F.P.	47.8	303	285	BZW Eqs Bermuda	294	-3	v-	-	-	-
-	F.P.	81.8	104	101	Benfield & Rea	103		-	-	-	-
290	F.P.	216.1	347	298	CMG	337	-4	Rv4.8	1.2	1.8	17.4
-	F.P.	26.0	29	26	Cash Converters	26	-1	Mv2.6	5.1	12.5	19.4
150	F.P.	71.5	160	150	Cortworth	150	-2	Rv5.8	2.1	4.8	12.3
-	F.P.	54.1	110	108	Cox Insurance	110		-	-	-	-
-	F.P.	13.2	448	448	East Surrey NV	448		-	-	-	-
100	F.P.	50.0	101	98	Finsbury Tech	100		-	-	-	-
-	F.P.	5.25	230	178	†Flomerics	205		v-	-	-	18.6
-	F.P.	18.5	148	125	Gardner (J)	138	-3	-	-	-	-
-	F.P.	3.87	116	88	Jasmin	95		-	-	-	-
-	F.P.	2.00	80	70	London Town	80		-	-	-	-
-	F.P.	32.8	96	93½	Martin Currie Jp	96		-	-	-	-
-	F.P.	2.24	34	29	Do Warrants	33	+1	-	-	-	-
200	F.P.	79.4	260	200	Peptide Th'peutics	234	-3	-	-	-	-
-	F.P.	86.2	356	345	†Pet City	355		-	-	-	-
-	F.P.	1.07	105	100	†Revelation P'olly	100		-	-	-	-
-	F.P.	181.8	45	36	†Trocadero	43	-1	-	-	-	-
-	F.P.	164.2	280	263	Vero Group	271		RWv5.1	1.8	2.4	28.9
-	F.P.	44.3	62	55	Wilmington	62	+1	v-	-	-	28.1

† Alternative Investment Market. For a full explanation of all other symbols please refer to The London Share Service notes.

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1995 High	Low	Stock	Closing price p	+or-
34	Nil	19/12	7pm	6pm	Allied Leisure	7pm	
60	Nil	8/1	33pm	22pm	Cordiant	27pm	+3
3	Nil	15/1	2½pm	¼pm	Roxspur	¼pm	
50	Nil	27/12	3½pm	2pm	TBI	3¼pm	
97	Nil	18/12	16pm	5pm	Television Corp	8pm	

pm premium.

FINANCIAL TIMES EQUITY INDICES

	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Yr ago	*High	*Low
Ordinary Share	2630.1	2635.0	2648.4	2651.1	2660.0	2293.3	2676.1	2238.3
Ord. div. yield	4.08	4.07	4.05	4.05	4.04	4.55	4.73	4.02
P/E ratio net	15.76	15.79	15.89	15.89	15.91	17.30	21.38	15.35
P/E ratio nil	15.59	15.62	15.72	15.72	15.73	16.87	22.21	15.17

*For 1995. Ordinary Share Index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share Index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2625.3	2629.8	2628.8	2625.3	2627.1	2630.2	2634.3	2639.5	2635.3	2641.4	2622.1

	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Yr ago
SEAQ bargains	28,040	29,780	27,906	31,089	32,729	20,147
Equity turnover (£m)†	-	1744.0	1813.1	2784.7	1534.7	1130.9
Equity bargains†	-	32,689	34,536	38,492	40,006	25,290
Shares traded (mil)†	-	690.0	667.3	784.4	636.6	497.6

†Excluding intra-market business and overseas turnover.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. Φ Bargains done the previous day.

British Funds, etc

Treasury 13¼% Stk 2000/03 - £126⅜
Exchequer 10½% Stk 2005 - £130⅞ (6De95)
Guaranteed Export Finance Corp PLC 12⅞% Gtd Ln Stk 2002(Reg) - £126⅞ (1De95)

Corporation and County Stocks

Dudley Metropolitan Borough Council7% Ln Stk 2019 (Reg)(F/P) - £85½ (4De95)
Leicester City Council 7% Ln Stk 2019(Reg) - £86½ (6De95)

Commonwealth-Government

British Guiana (Demerara Railway) 4% Perp Stk - £35

Foreign Stocks, Bonds, etc-(coupons payable in London)

Abbey National Treasury Servs PLC 6% Gtd Nts 1997(Br $ Var) - $100.8
Abbey National Treasury Servs PLC 6% Gtd Nts 1999(Br£1000,10000,100000) - £96.8 (5De95)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £101½
ASDA Group PLC 9⅝% Bds 2002(Br£1000&10000) - £108⅝ (6De95)
Bank of Greece 9¾% Bds 2003 (Br £ Var) - £104 (1De95)
Barclays Bank PLC 9.875% Undated Subord Nts - £107½
Barclays Bank PLC 12¾% Senior Subord Bds 1997(Br£Var) - £110¼ (4De95)
Bradford & Bingley Building SocietyCollared FltgRteNts 2003(Reg Mult£1000) - £101½ (5De95)
British Gas Intl Finance BV 9½% Gtd Bds 2001(Br $C Var) - $C108.78 108.28 (5De95)
British Gas PLC 8⅛% Bds 2003 (Br £ Var) - £101⅜
British Gas PLC 8⅞% Bds 2008 (Br £ Var) - £103½ (5De95)
British Gas PLC 8¾% Bds 2025(Br£ Vars) - £100⅜Φ
British Telecommunications PLC Zero Cpn Bds 2000(Br£1000&10000) - £75
British Telecommunications PLC 7⅛% Bds 2003 (Br £ Var) - £97⅞
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £155½ 6¼
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006(Br£5000&50000) - £155 (1De95)
Cable & Wireless Int Finance BV 8⅝% Gtd Bds 2019(Br£ Vars) - £99⅛ (6De95)
Cheltenham & Gloucester PLC 11¾% Perp.Subord Bds £50000(Reg) - £125.48 (5De95)
Dow Chemical Co Zero Cpn Nts 30/5/97(Br£1000&10000) - £90⅛ (4De95)
ECC Group PLC 6½% Cnv Bds 2003(Br£1000&10000) - £95 (5De95)
Eastern Group PLC 8⅛% Bds 2004(Br£ Vars) - £101⅞ (6De95)
Eksportfinans AS 6% Nts 1999 - $C97⅞ (6De95)
Eksportfinans AS 6.875% SK Bds 9/2/04(Mult SK10000) - SK89¾ 90¼ (4De95)
EI Enterprise Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) - £98¾
EI Enterprise Finance PLC 8¾% Gtd Exch Bds 2006(Br£5000&100000) - £99⅓
Export-Import Bank of Japan 6½% Gtd Bds 2005(Br$ Var) - $102¼ (1De95)
Far Eastern Department Stores Ld 3% Bds 2001(Reg integral multi $1000) - $84¼ (1De95)
Ford Credit Europe PLC FRN 2001(Br£1000) - £99.76Φ
Forte PLC 9⅜% Bds 2003 (Br £ Var) - £105⅞Φ
Glaxo Wellcome PLC 8¾% Bds 2005(Br£ Vars) - £104¾ .993 (6De95)
Greycoat PLC 9.5% Bds 2003 (Br£10000&100000) - £95½ (4De95)
Guaranteed Export Finance Corp PLC 7¼% Gtd Nts 1998 (Br £ Var) - £101¼ (4De95)
Guinness PLC 10⅝% Nts 1997 (Br £1000 & 10000) - £104 15 (1De95)
HSBC Holdings PLC 9⅞% Subord Bds 2018 (Br £ Var) - £108⅝ (1De95)
Halifax Building Society 8¾% Nts 1997 (Br£Var) - £103⅝ (6De95)
Halifax Building Society 7¾% Nts 1998 (Br £ Var) - £102⅛ .3 (4De95)
Halifax Building Society 11% Subord Bds 2014(Br£10000&100000) - £119½ (1De95)
Halifax Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £99½ (4De95)
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) - £100½ (4De95)
Hanson Trust PLC 10% Bds 2006 (Br£5000) - £110⅞ (5De95)
Hydro-Quebec 10.875% Debs SrsHW 25/7/01(Br$C1000) - $C115⅝ 116.15 (5De95)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) - £110⅛
Italy(Republic of) 10½% Bds 2014 (Br£10000&50000) - £113¼ (1De95)
Japan Development Bank 6⅞% Gtd Bds 1999 (Br $ Var) - $103.9
Land Securities PLC 9½% Bds 2007(Br£1000&10000) - £107¼
Land Securities PLC 6¾% Cnv Bds 2002(Br£1000) - £98
Land Securities PLC 9⅜% Cnv Bds 2004 (Br£5000&50000) - £112½ (6De95)
Lloyds Bank PLC 7⅜% Subord Bds 2004(Br£Various) - £95.3Φ .8Φ
London Electricity PLC 8% Bds 2003 (Br £ Var) - £100.55 1¼ ⅝ (6De95)
Lonrho Finance PLC 6% Gtd Cnv Bds 2004(Br£Vars) - £99.056334 (5De95)
MBL Intl Finance (Bermuda) Tst 3% Exch Gtd Nts 2002 - $115.34 115.475
MEPC PLC 10¼% Bds 2003(Br£1000&10000) - £110¾ 1
Marks & Spencer Finance PLC 7⅜% Gtd Nts 1998 (Br £ Var) - £102⅛ (6De95)
Midland Bank PLC SubordFltg RateNts 2001(Br£5000&50000) - £98⅜ (5De95)
Mitsubishi Bank Ld 3½% Cnv Bds 2004(Br$10000) - $103¼Φ
National Grid Co PLC 7⅜% Bds 1998 (Br £ Var) - £101⅞ (1De95)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £113¼Φ
New Zealand 10½% Bds 2000(Br$1000&5000) - $105¼ (6De95)
Nippon Telegraph & Telephone Corp 6% Nts 2000 - $101.8 102⅛ (6De95)
Precious Shipping PLC 3.25% Cnv Bds 2000 - $99.891657 (5De95)
Prudential Corporation PLC 7⅛% Bds 2005(Br$1000,10000&100000) - $105.7Φ
Prudential Finance BV 9⅜% Gtd Bds 2007 (Br£5000&100000) - £107⅝ (4De95)
RMC Capital Ld 8¾% Cnv Cap Bds 2006 (Br £5000&50000) - £133 (1De95)
RTZ Canada Inc 7¼% Gtd Bds 1998(Br£5000&100000) - £100.7 (4De95)
Robert Fleming Intl Finance Ld 9¼% Perp Subord Gtd Nts (Br £ Var) - £87⅝Φ
Rolls Royce Capital Inc 7⅛% Nts 2003(Br$ Vars) - £104⅞Φ
Royal Bank of Scotland PLC 10.5% Subord Bds 2013 (Br £ Var) - £112 (5De95)
Royal Bank of Scotland PLC 10⅝% Subord Bds 1998 (Br£5000&25000) - £107.7 (5De95)
Sainsbury(J) PLC 8.25% Nts 2000(Reg) - £104¼Φ
Sainsbury (J)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £119 (4De95)
Scottish Amicable Finance PLC 8.5% Undated Subord Gtd Bds (Br£Var) - £89¾ (4De95)
SEEBOARD PLC 8½% Bds 2005(Br £ Var) - £102¼
Severn Trent PLC 11⅝% Bds 2001 (Br £5000&100000) - £117.2 (4De95)
Sino-Thai Engnrng&Con Public Co Ld 1.75% Cnv Bds 2003 (RegIntMult$1000) - $101⅞
Smithkline Beecham Capital PLC 8⅜%Gtd Nts 2000(Br£1000,10000&100000) - £104¼
Sweden(Kingdom of) 6½% Nts 2003 (Reg $1000) - $103⅜
Sweden(Kingdom of) 7.25% Bds 2000 - £103.1 (4De95)
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £95¾
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LItFnGdBds 2001(Br) W/WtsT&LPLC - £85½ (1De95)
Telekom Malaysia Berhad 4% Cnv Bds 2004(Reg$5000) - $96¼Φ
Thai Central Chemical Public Co Ld 3½% Cnv Bds 2003 (Reg Int Mult$1000) - $101⅞ 102¼ (5De95)
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) - £132
Warburg(S.G.) Group PLC 9% Perp Subord Nts (RegNts£Br£) - £85⅜
Woolwich Building Society 11% Nts 1998(Br£1000&10000) - £103.2 .21 (1De95)
Yorkshire Electricity Group PLC 9¼% Bds2020(Reg£1 Int mult thereof) - £104⅞ (5De95)
Abbey National Treasury Servs PLC ESC5000m FRN 12/8/97 - PE98.52
Abbey National Treasury Servs PLC PTE400m 2% Nts 31/10/97 - PE87.73 (6De95)
European Bank for Rec & Dev $100m Flg Rte Nts April 2000 - $98 (4De95)
Finland(Republic of) ECU500m 8% Nts 18/3/98 - EC104.4 (4De95)
Finland(Republic of) £500m 7% Bds 26/10/2000 - £96⅝ 9⅛ .35 (5De95)
Landwirtschaftliche Rentenbank DM300m 5.75% Nts 24/10/2000 - DM102.14 102¼ (5De95)
Nordic Investment Bank CZK1500m 10.625% Debt Inst 10/11/2000 - CZ99.8 100.85 (5De95)
Spintab AB Y1200m 0.1% Nts 9/3/98 - Y98¾
SudwestdeutscheLandbank CapMktsPLC $250m 6% Debt Inst 20/10/98 - $101.85
Svensk Exportkredit AB $300m 6.25% Debt Inst 16/10/2000 - $101.52 101.8
Sweden(Kingdom of) ECU100m 7¼% Nts 2000 - EC102.97
Swiss Bank Corporation £250m 8.75% Subord Bds 20/6/2005 - £100⅝ 1
Toyota Motor Credit Corporation $750m 6.125% Nts 11/10/2000 - $101.45 101¾

Sterling Issues by Overseas Borrowers

Australia(Commonwealth of) 9½% Ln Stk 2012(Reg) - £110½
Australia(Commonwealth of) 11⅜% Ln Stk 2015(Reg) - £128⅛
Australia(Commonwealth of) 13.5% Ln Stk 2010 - £144
Bank of Greece 10¾% Ln Stk 2010(Reg) - £105¾ (4De95)
Denmark(Kingdom of) 13% Ln Stk 2005 - £134⅝ (5De95)
European Investment Bank 9% Ln Stk 2001 (Reg) - £107⅞ 8 ⅟₁₆ (6De95)
European Investment Bank 9½% Ln Stk 2009 - £112⅞ (5De95)
European Investment Bank 10⅜% Ln Stk 2004(Reg) - £115½
European Investment Bank 11% Ln Stk 2002(Reg) - £117⅞
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £122¾
Ireland 12½% Ln Stk 2008(Reg) - £135.2 (6De95)
Malaysia 10¼% Ln Stk 2009(Reg) - £118.2 (6De95)
New Zealand 11¾% Stk 2008(Reg) - £125
New Zealand 11½% Stk 2014(Reg) - £132½
Petroleos Mexicanos 14½% Ln Stk 2006 - £110
Sweden(Kingdom of) 9¾% Ln Stk 2014(Reg) - £113⅝ .855 .875
United Mexican States 16½% Ln Stk 2008(Br) - £123 (1De95)

Listed Companies(excluding Investment Trusts)

ABF Investments PLC 5½% Uns Ln Stk 87/2002 50p - 40 2 (6De95)
ABF Investments PLC 7½% Uns Ln Stk 87/2002 50p - 46 (6De95)
ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) - £70 (4De95)
Abbey National PLC 10⅜% Non-Cum Sterling Prf - 111⅛Φ
Abbot Group PLC 7¼% Cum Cnv Red Prf £1 - 72
Aberdeen Trust PLC A Wts to Sub for Ord - 65 (1De95)
Albert Fisher Group PLC ADR (10:1) - £4.771 (1De95)
Alexanders Hldgs PLC "A"(RstLV)Ord 10p - 15 (5De95)
Alexon Group PLC 6.25p (Net) Cnv Cum Red Prf 10p - 67
Allied Domecq PLC ADR (1:1) - $7.64 (5De95)
Allied Domecq PLC 5½% Cum Prf £1 - 61
Allied Domecq PLC 11¾% Deb Stk 2009 - £129⅞
Allied Domecq PLC 5¼% Uns Ln Stk - £58
Allied Domecq PLC 6¼% Uns Ln Stk - £65 (6De95)
Allied Domecq PLC 7¾% Uns Ln Stk 93/98 - £99¾
Allied Domecq Financial Servs PLC 6¾% GtdCnvSubordBds2008 RegMult£1000 - £99
Allied London Properties PLC 10% Cum Prf £1 - 117 (4De95)
Allied London Properties PLC 10¾% 1st Mtg Deb Stk 2025 - £120½ (1De95)
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 81½ (5De95)
American Brands Inc Shs of Com Stk $3.125 - $42.95 (5De95)
Ameritech Corp Shs of Com Stk $1 - £32¼ (6De95)
Arminex PLC Ord Ir£0.05 - I£0.55 p 53 6
Andrews Sykes Group PLC Cnv Prf 50p - 72
Anglian Water PLC 5⅛% Index-Linked LnStk 2008(6.474%) - £135 (6De95)
Anglovaal Ld N Ord R0.0001 - £25⅝ (4De95)
Asda Property Hldgs PLC 10 5/16% 1st Mtg Deb Stk 2011 - £111
Asprey PLC 8.25% Cum Irrd Prf £1 - 97 (5De95)
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 39
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 39
B.A.T Industries PLC ADR (2:1) - $17.4994
BET PLC ADR (4:1) - $7.624748Φ
BOC Group PLC ADR (1:1) - $13.56 (4De95)
BOC Group PLC 3.5% Cum 2nd Prf £1 - 53 (6De95)
BOC Group PLC 12¼% Uns Ln Stk 2012/17 - £132⅝ (5De95)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 171
BTR PLC ADR (4:1) - $18.56 (6De95)
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation - £13Φ
Bank of Ireland(Governor & Co of) Units NCP Stk SrsA Ir£1&Ir£9 Liquidation - I£13
Banner Homes Group PLC Ord 10p - 55
Barclays PLC ADR (4:1) - $48.498383Φ .82Φ
Barclays Bank PLC 12% Uns Cap Ln Stk 2010 - £126 (5De95)
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £142¾ 3
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 78 (4De95)
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 103½ 4¼ ½ 5½
Barr & Wallace Arnold Trust PLC Ord 25p - 215
Bass PLC ADR (2:1) - $20⅞ 1 ⅛ (4De95)
Bass PLC 10⅜% Deb Stk 2016 - £119.85 (5De95)
Bass PLC 7¼% Uns Ln Stk 92/97 - £99
Bass Investments PLC 7⅜% Uns Ln Stk 92/97 - £99½ (5De95)
Bellway PLC 9.5% Cum Red Prf 2014 £1 - 112 (4De95)
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK131.1 .43 ¾
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - £100¼ ⅝ ¾
Blue Circle Industries PLC ADR (1:1) - $5.4 (6De95)
Blue Circle Industries PLC 5¾% 2nd Deb Stk 1984/2009 - £77 (4De95)
Booker PLC ADR (4:1) - $22.38 (1De95)
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £123 3 ½
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £137⅝ 8 ¼
Brent International PLC 9% Cum Red Prf £1 - 94
Brent Walker Group PLC Wts to Sub for Ord - 0¼
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 0½ ¾ 1 (6De95)
Bridon PLC 10¼% Deb Stk 91/96 - £102 (5De95)
Bridon PLC 7¾% Uns Ln Stk 2002/07 - £93½ (1De95)
Bristol Water PLC 8¾% Cum Irrd Prf £1 - 118
Bristol Water Hldgs PLC Ord £1 - £11.57 11.6 (6De95)
Bristol & West Building Society 13⅝% Perm Int Bearing Shs £1000 - £141¾ ⅞ 2
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £136½ 7 8
British Airways PLC ADR (10:1) - $73.372554Φ
British & American Film Hldgs PLC Ord Stk 5p - £10
British-American Tobacco Co Ld 6% 2nd Cum Prf Stk £1 - 65
British Fittings Group PLC 5.5% Cnv Red Prf £1 - 67 (1De95)
British Land Co PLC 6% Subord Irrd Cnv Bds(Reg) - £89¼
British Land Co PLC 10½% Dfd 1st Mtg Deb Stk 2019/24 - £118
British Land Co PLC 11⅜% First Mtg Deb Stk 2019/24 - £125½ (1De95)
British Petroleum Co PLC 8% Cum 1st Prf £1 - 84¼ (6De95)
British Steel PLC ADR (10:1) - £16.849 $ 26.05 .06 ⅛
British Steel PLC 11½% Deb Stk 2016 - £129.02 (5De95)
British Sugar PLC 10¾% Red Deb Stk 2013 - £122½Φ
Brunel Holdings PLC 4.6p (Net) Cnv Cum Red Prf 20p - 55 ¼ (6De95)
Buchanan Special Emerging MktsFund Ld Ord $0.01 - $11⅞ (6De95)
Bulgin(A.F.) & Co PLC Ord Shs 5p - 56
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 - 112½
Bulmer(H.P.)Hldgs PLC 9½% Cum Prf £1 - 114 (5De95)
Burmah Castrol PLC 7½% Cum Red Prf £1 - 79
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 - £94 ½ 7
Caffyns PLC 6½% Cum 1st Prf £1 - 73 (4De95)
Cambridge Water Co Cons Ord Stk - £8000 300 (5De95)
Carclo Engineering Group PLC 10½% Cum Red Prf £1 - 107 8 (4De95)
Carlisle Group PLC 4.38% (Net) Red Cnv Prf 1998 £1 - 75 (5De95)
Carlton Communications PLC ADR (2:1) - $31¼ (6De95)
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £148 .18 ¼ 9 (6De95)
Caterpillar Inc Shs of Com Stk $1 - $62⅝
Centex Corporation Shs of Com Stk $0.25 - $32⅞ (4De95)
Cherlwood Alliance Hldgs Ld 7½% Uns Ln Stk 50p - 33
Churchbury Estates PLC 9% Uns Ln Stk 2000 - £76 (5De95)
Clayhithe PLC 9.5% Subord Cnv Uns Ln Stk 2000/01 - £99
Cleveland Place Holdings PLC 12⅛% Red Deb Stk 2008 - £130.1375 ⅛ (1De95)
Coastal Corporation Shs of Com Stk $0.33 1/3 - $33.998864 (4De95)
Coats Patons PLC 6¾% Uns Ln Stk 2002/07 - £88¼ ½ (6De95)
Coats Viyella PLC 4.9% Cum Prf £1 - 64 (1De95)
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 600 26 5
Commercial Union PLC 3.5% Cum Red Prf £1 - 63¾ (1De95)
Commercial Union PLC 8⅜% Cum Irrd Prf £1 - 111¾ 2¼
Commercial Union PLC 8¾% Cum Irrd Prf £1 - 114¼
Co-Operative Bank PLC 9.25% Non-Cum Irrd Prf £1 - 108⅞ 8⅛ ¼ (5De95)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p - 73
Cordiant PLC ADR (3:1) - $3.83 ⅞ .9373 .96 .998 .999
Courtaulds PLC 5½% Uns Ln Stk 94/96 - £97
Courtaulds PLC 7¾% Uns Ln Stk 2000/05 - £96½
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - £127½ 8⅛ ¾
Croda International PLC 5.9% Cum Prf £1 - 65 (4De95)
Daily Mail & General Trust PLC Ord 50p - £12.7 (5De95)
Dalgety PLC 4.85% Cum Prf £1 - 67 (6De95)
Dancora PLC 6.25% Cum Cnv Red Prf £1 - 90 3 (5De95)
Devenish(J.A.) PLC 10¼% Deb Stk 2017 - £120⅜ (6De95)
Dewhurst PLC Ord 10p - 92 (5De95)
Dover Corp Com Stk $1 - $37¼
Dunlop Plantations Ld 6% Cum Prf £1 - 59 (4De95)
Eidos PLC Ord 10p - 515 20
El Oro Mining&Exploration Co PLC Ord 10p - 642 (5De95)
Emess PLC 6.25p(Net) Cnv Cum Red Prf 5p - 69 71
English China Clays PLC ADR (3:1) - $15.01699Φ
Enterprise Oil PLC 11⅝% Uns Ln Stk 2016 - £124⅞ (4De95)
Ericsson(L.M.)(Telefonaktiebolaget)Ord SK2.5 Ser"B" (Reg) - £22⅞ SK148 8 .45 ½ ½ .53 .6 .5 .7 ¾ ⅞ 9 ¼ ¼ .447 ½
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 163 9 70 1 2
Euro Disney S.C.A. Shs FR5 (Br) - $2.581 2.5829 FR12.85 .94 .95 .97 3
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - FR7 .05 .2 .223052
Ex-Lands PLC Warrants to sub for Shs - 13½ (6De95)
First National Building Society 11¾% Perm Int Bearing Shs £10000 - £118
Fisons PLC ADR (4:1) - $16.08 (6De95)
Fisons PLC 5⅞% Uns Ln Stk 2004/09 - £80
Fitzwilton PLC 6½% Cum Prf IR£1 - I£0.63 (5De95)
Flare Group PLC Wts to sub for Ord - 51 9 60 5
Folkes Group PLC Ord 5p - 57 (1De95)
Forte PLC 9.1% Uns Ln Stk 95/2000 - £99¾ (1De95)
Fortnum & Mason PLC 7% Cum Prf Stk £1 - 76 (4De95)
Friendly Hotels PLC 5% Cnv Cum Red Prf £1 - 102 (6De95)
Friendly Hotels PLC 7% Cnv Cum Red Prf £1 - 89 (4De95)
Fuller,Smith & Turner PLC 8% 2nd Cum Prf £1 - 103 (1De95)
GKN PLC ADR (1:1) - $12⅜Φ
GN Great Nordic Ld Shs DK100 - DK434.57 5 5
G.R.(Hldgs) PLC 10½% 2nd Cum Prf £1 - 87
G.T. Chile Growth Fund Ld Ord $0.01 - $38½Φ
General Accident PLC 7⅞% Cum Irrd Prf £1 - 105
General Accident PLC 8⅞% Cum Irrd Prf £1 - 115 ¼ ½ ¾
General Electric Co PLC ADR (1:1) - $4⅞
Glynwed International PLC 7¾% Cum Prf £1 - 68 (6De95)
Goode Durrant PLC 3.5% Cum Prf 50p - 26 (4De95)
Grampian Hldgs PLC 7% Cum Prf £1 - 63 (6De95)
Grand Metropolitan PLC 5% Cum Prf £1 - 54¼ (5De95)
Grand Metropolitan PLC 6¼% Cum Prf £1 - 65Φ
Great Universal Stores PLC 5⅜% Red Uns Ln Stk - £58 (6De95)
Greenalls Group PLC 8% Cum Prf £1 - 105 (4De95)
Greenalls Group PLC 11½% Deb Stk 2014 - £130⅝
Greenalls Group PLC 9⅛% Irrd Uns Ln Stk - £100 (5De95)
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £127 7 ½ ½ 8
Guinness PLC ADR (5:1) - $34.62
HSBC Hldgs PLC Ord $H10 (Hong Kong Reg) - $H114 .2069 .53499 .8 5.2 6.1891 .2 .47908
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Reg) - £116½ 7
Halifax Building Society 8¾% Perm Int Bearing Shs £50000 - £94.95 5
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) - £127⅞
Hardys & Hansons PLC Ord 5p - 284
Hasbro Inc Shs of Com Stk $0.50 - $31⅛ (5De95)
Haslemere Estates PLC 10½% 1st Mtg Deb Stk 2016 - £117
Hercules Inc Shs of Com Stk of NPV - $58.04
Hillsdown Hldgs PLC ADR(4:1) - $9.48 .7
Home Housing [illegible] Stk 2027 - [illegible]
Housing Finance Corp Ld [illegible] Stk 2016 - £[illegible]
IS Himalayan Fund NV Ord FL0.01 - $12½
Iceland Group PLC [illegible] - 118 20
Incepta Group PLC Wts to Sub for Ord - 8½ (1De95)
Industrial Control Services Grp PLC Ord 10p - 95 8½ 8
Irish Life PLC Ord Ir£0.10 - £2.46 p 253 ½ ½ 4 5½
Jardine Matheson Hldgs Ld Ord $0.25(Bermuda Register) - £4.17 (5De95)
Johnson & Firth Brown PLC 11.05% Cum Prf £1 - 104 (1De95)
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 115 9 (6De95)
Jones & Shipman PLC 4.8% Cum Prf 25p - 15 (4De95)
Jurys Hotel Group PLC Ord Ir£0.25 - £2.22
Kenning Motor Group PLC 8.75% (Fmly 5½%) Cum Prf £1 - 91
Kingfisher PLC ADR (2:1) - $15½Φ
Korea-Europe Fund Ld Shs IDR (Br) $0.10 (Cpn 8) - £4400 4600
Kvaerner A.S. A Shs NK12.50 - NK260 2.8 3 .88 4½
Ladbroke Group PLC ADR (1:1) - $2⅞ (6De95)
Land Securities PLC 9% 1st Mtg Deb Stk 96/2001 - £100 ⁵⁄₁₆
LASMO PLC 10⅜% Deb Stk 2009 - £115 (4De95)
Lebowa Platinum Mines Ld Ord R0.01 - $0.74
Leeds & Holbeck Building Society 13⅜% Perm Int Bearing Shs £1000 - £140¼ ¾
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 56Φ
Lewis(John)Partnership PLC 7½% Cum Prf Stk £1 - 75 (6De95)
London International Group PLC ADR (5:1) - $10 (1De95)
Lonrho PLC ADR (1:1) - $2.64
Lonrho PLC 10¼% 1st Mtg Deb Stk 97/2002 - £103 (4De95)
Lookers PLC 8% Cnv Cum Red Prf £1 - 100
Lynton PLC 10¼% 1st Mtg Deb Stk 2017 - £117⅞ (6De95)
MEPC PLC 8% Uns Ln Stk 2000/05 - £100Φ
MEPC PLC 10½% Uns Ln Stk 2032 - £116⅞ (6De95)
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 86
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £70
McInerney Properties PLC "A" Ord I£01.10 - I£0.04 (4De95)
Malacca Fund (Cayman) Ld Ptg Shs $0.01 - $13¾Φ
Marks & Spencer PLC ADR (6:1) - $40⅞ (4De95)
Medeva PLC ADR (4:1) - £11.03 (4De95)
Merivale Moore PLC 10½% 1st Mtg Deb Stk 2020 - £108 (1De95)
Mersey Docks & Harbour Co 6¾% Red Deb Stk 96/99 - £96 (5De95)
Mid-Sussex Water Co 10% Red Deb Stk 2013/17 - £110½ (4De95)
Midland Bank PLC 14% Subord Uns Ln Stk 2002/07 - £130 ⅜
Mitel Corporation Com Shs of NPV - £4.3
Molex Inc Shs of Class A Com Stk $0.05 - $33¼ (5De95)
Morgan Sindall PLC 5.625% Cnv Cum Red Prf £1 - 70 (1De95)
Mount Charlotte Investments PLC 10¾% 1st Mtg Deb Stk 2014 - £116⅞
Mucklow(A.& J.)Group PLC 13¼% 1st Mtg Deb Stk 2000/05 - £115½ 6⅛
NFC PLC 7¾% Cnv Bds 2007(Reg) - £90¾ 1¼ ½
National Westminster Bank PLC 9% Non-Cum Stlg Prf Sers "A" £1 - 117¾ 8
National Westminster Bank PLC 12½% Subord Uns Ln Stk 2004 - £127 (5De95)
Newarthill PLC 6.775% Cum Prf £1 - 73 (1De95)
Newcastle Building Society 12⅝% Perm Interest Bearing Shs £1000 - £137¼ (6De95)
Northchart Investments Ld R 0.10 - £0.26 (1De95)
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Reg) - £87¼ (6De95)
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £84¼
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £136½ ¾ 7
Orbis PLC Ord 10p - 27 ½ 30
Pacific Gas & Electric Co Shs of Com Stk $5 - $27⅞
Panther Securities PLC Wts to sub for Ord - 6
Parkland Group PLC Ord 25p - 185 (6De95)
Paterson Zochonis PLC 10% Cum Prf £1 - 116½ 7½
Pearson PLC 9.3% Uns Ln Stk 96/2001 - £101 (4De95)
Pearson PLC 13.625% Uns Ln Stk 2007 - £140½Φ
Peel Hldgs PLC 10% Cum Prf 50p - 54 (1De95)
Peel Hldgs PLC 9⅞% 1st Mtg Deb Stk 2011 - £105¾ (4De95)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 121 (4De95)
Peel South East Ld 10% 1st Mtg Deb Stk 2026 - £103½ (4De95)
Peninsular & Oriental Steam Nav Co 3½% 2nd Deb Stk(Perp) - £37 (4De95)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 86 8½ (6De95)
Petrofina S.A. Ord Shs NPV (Br In Denom 1,5 & 10) - £181.85 BF8693 979.8 80 80 7.7 91 9000 12.81
Pittards PLC 9½% Cum Prf £1 - 88 (6De95)
Plantation & General Invs PLC 9½% Cum Red Prf £1 - 84
Pokphand (C.P.) Co Ld Shs $0.05 (Hong Kong Registered) - $H3.15 (1De95)
Potgietersrust Platinums Ld Ord R0.025 - 382½ ½
Powell Duffryn PLC 4⅛% Cum Prf 50p - 28
Queens Moat Houses PLC 10¼% 1st Mtg Deb Stk 2020 - £86 (4De95)
Quicks Group PLC 10% Cum Prf £1 - 100 (6De95)
RPH Ld 9% Uns Ln Stk 99/2004 - £102 (6De95)
Racal Electronics PLC ADR (2:1) - $8.3 (6De95)
Rank Organisation PLC ADR (2:1) - $12.7
Reed International PLC 3.85% (Fmly 5½%) Cum Red Prf £1 - 62 (4De95)
Republic Goldfields Inc Shs of NPV - $C0½Φ
Richards PLC 4% Cum Pfd £1 - 38 (6De95)
Richards PLC 5½% Cum Pfd 75p - 38 (6De95)
Ronson PLC Ord 5p - 62 3 3
Ropner PLC 11½% Cum Prf £1 - 118 (5De95)
Rotork PLC 9½% Cum Prf £1 - 103 (6De95)
Royal Bank of Scotland Group PLC 5½% Cum Prf £1 - 72 (4De95)
Royal Insurance Holdings PLC 7¼% Cnv Subord Bds 2007 (Br £ Var) - £132 (6De95)
Rugby Group PLC 6% Uns Ln Stk 93/98 - £94 (6De95)
SCEcorp Shs of Com Stk of NPV - $16.
Sainsbury(J) PLC ADR (4:1) - $23.7 4.32 (6De95)
Savoy Hotel PLC "B" Ord 5p - £50 (6De95)
Scholl PLC 8⅞% Cum Red Prf 2001/05 £1 - 103½ (5De95)
Scholl PLC 5¼% Cnv Cum Red Prf 2006/11 £1 - 88 9 (6De95)
Schroder Japanese Warrant Fund Ld IDR (In Denom 100 Shs & 10000 Shs) - $55 (6De95)
Scottish Metropolitan Property PLC 10¼% 1st Mtg Deb Stk 2016 - £112 (1De95)
Scottish & Newcastle PLC 6.425% Cum Prf £1 - 92 (5De95)
Sears PLC 4.9% (Fmly 7%) "A" Cum Prf £1 - 68 (6De95)
Sears PLC 7¼% Uns Ln Stk 92/97 - £99 (1De95)
Severn River Crossing PLC 6% Index-Linked Deb Stk 2012 (5.888%) - £123¾ ¾ 4¼
Shanghai Fund (Cayman) Ld Ptpg Shs $0.01 - $7¾
Shield Group PLC Ord 5p - 5 (6De95)
Shoprite Group PLC Ord 5p - 7½ 8½
Shoprite Finance (UK) PLC 7.875p(Net) Cum Red Prf Shs 2009 - 68 (1De95)
Signet Group PLC ADR (3:1) - $0.63
Simon Engineering PLC 7.75% Cum Red Prf 92/97 £1 - 82 (4De95)
Singer & Friedlander Group PLC 8.5% Cnv Subord Uns Ln Stk 2009/14 - £136 6 7 (6De95)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £136¾
Slingsby(H.C.)PLC Ord 25p - 255 (5De95)
Smith (W.H.) Group PLC 5½% Red Uns Ln Stk - £59 (6De95)
SmithKline Beecham PLC ADR (5:1) - $54.2481 .37319 ⅜ .47
SmithKline Beecham PLC/SmithKline ADR (5:1) - £35.17 $ 54⅛ ¼ .3
Standard Chartered PLC 12⅞% Subord Uns Ln Stk 2002/07 - £123¼ (5De95)
Symonds Engineering PLC Ord 5p - 41 2
THFC (Indexed) Ld 5.65% Index-Linked Stk 2020(5.9390%) - £127½ 8⅜
TSB Group PLC 10⅝% Subord Ln Stk 2008 - £117⅛ ¼ ½
Talcare PLC 11.8% 1st Mtg Deb Stk 2014 - £117.55
Tate & Lyle PLC ADR (4:1) - $29
Taylor Woodrow PLC 9½% 1st Mtg Deb Stk 2014 - £109⅛
Tesco PLC ADR (1:1) - $4½ (6De95)
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £71¾
Thai Development Capital Fund Ld Ord $0.10 - $10 (5De95)
Thai Development Capital Fund Ld Wts To Sub For Ord - $1.6 (5De95)
Thai Prime Fund Ld Ptg Red Prf $0.01 - £15.6 15.95
THORN EMI PLC ADR (1:1) - $24.4
Tops Estates PLC 10¼% 1st Mtg Deb Stk 2011/16 - £110½ (4De95)
Total Systems PLC Ord 5p - 20 (4De95)
Town Centre Securities PLC 10½% 1st Mtg Deb Stk 2021 - £118½ (1De95)
Town Centre Securities PLC 9% Cnv Uns Ln Stk 99/2000 - £260 (5De95)
Trafalgar House PLC 7% Uns Deb Stk £1 - 42
Trafalgar House PLC 8% Uns Ln Stk 94/99 - £80
Trafalgar House PLC 9½% Uns Ln Stk 2000/05 - £72¾
Trafalgar House PLC 10¼% Uns Ln Stk 2001/06 - £72 7
Transatlantic Holdings PLC A Cnv Prf 50p - £3.39 (6De95)
Transatlantic Holdings PLC B 6% Cnv Prf £1 - 87 9
Transport Development Group PLC 8¼% Uns Ln Stk 93/98 - £99¼ (4De95)
Unigate PLC ADR (1:1) - $6.6Φ
Unigate PLC 6½% Uns Ln Stk 91/96 - £98 (5De95)
Unilever PLC ADR (4:1) - $81.72
Unisys Corp Com Stk $0.01 - $6¼
United Plantations Africa Ld Ord R0.50 - £0.3 (6De95)
Utility Cable PLC Wts to sub for Ord - 9 (6De95)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 71 (1De95)
Vodafone Group PLC ADR(10:1) - £21.83 21.9 $ 33¼ ½ .815 ⅜ ⅝ .845 .8 .98
WEW Group PLC 10½% Cum Red Prf 99/2002 £1 - 88¼
Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p - 128 39 (6De95)
Walker(Thomas) PLC Ord 5p - 28 (4De95)
Walmoughs(Hldgs) PLC 8¼% Cum Red Prf 2006 £1 - 108½ 9½
Wells Fargo & Company Shs of Com Stk $5 - $216.33775 (5De95)
Wereldhave Property Corp PLC 9.5% 1st Mtg Deb Stk 2015 - £103 (4De95)
Westland Group PLC 12⅜% Deb Stk 2008 - £129⅛ (5De95)
Whitbread PLC 7% 3rd Cum Prf Stk £1 - 74 (5De95)
Whitbread PLC 4½% Red Deb Stk 99/2004 - £82¼ (5De95)
Whitbread PLC 7¼% Uns Ln Stk 95/99 - £97¾ (4De95)
Whitbread PLC 7¾% Uns Ln Stk 96/2000 - £99½
Whitbread PLC 10½% Uns Ln Stk 2000/05 - £110
Whitecroft PLC 5.1% Cum Prf £1 - 65‡ (4De95)
Wilkinson & Riddell(Hldgs) Ld 5% Cum Prf Stk £1(Tax Free To 30p) - 70 (4De95)
Williams Hldgs PLC 10¾% Cum Prf £1 - 127
Willis Corroon Group PLC ADR (5:1) - $10⅞ 10.98 11 (6De95)
Wintrust PLC 10½% Cum Prf £1 - 115 (5De95)
Xerox Corp Com Stk $1 - $141¾
York Waterworks PLC Ord 10p - 380 (5De95)
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 415Φ
Zambia Consolidated Copper Mines Ld"B" Ord K10 - 60Φ

Investment Trusts

American Opportunity Trust PLC Zero Cpn Cnv Uns Ln Stk 98/99 - £180 (5De95)
American Trust PLC 3½% (Fmly 5%) Cum Prf Stk - £55 (4De95)
Anglo & Overseas Trust PLC 8.5% Deb Stk 2020 - £99⅞ (5De95)
BZW Endowment Fund Ld-Redeemable Ord 1p - 116 7
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 75 8 (5De95)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 51 (4De95)
Baring Tribune Investment Trust PLC9⅛% Deb Stk 2012 - £105¼ (5De95)
Baronsmead Investments Trust PLC Wts to sub for Ord - 29½ (1De95)
British Assets Trust PLC Equities Index ULS 2005 10p - 181
British Empire Sec & General Trust 10⅜% Deb Stk 2011 - £114¾ (4De95)
Broadgate Investment Trust PLC Wts to Sub for Ord - 48 (6De95)
Capital Gearing Trust PLC Ord 25p - 540 (5De95)
Danae Investment Trust PLC Wts to Subscribe for 1 Inc & 1 Cap - 47 (5De95)
Edinburgh Investment Trust PLC 11½% Deb Stk 2014 - £130 (5De95)
Fidelity European Values PLC Equity Linked Uns Ln Stk 2001 - 160 (5De95)
Finsbury Smaller Co's Trust PLC Zero Div Prf 25p - 214½Φ
Gartmore British Inc & Grth Tst PLCZero Dividend Prf 10p - 136½
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 69 ¾
HTR Japanese Smaller Co's Trust PLCOrd 25p - 94 .95 5 5 ¾
JF Fledgeling Japan Ld Warrants to sub for Ord - 32 3 (6De95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p Global Active Fund - £14.1025 14.11 (1De95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Active Fund - £16.33 16.35
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (1De95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Index Fund - £17.14 17.16
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p Japan Index Fund - 783.3 5.3 (1De95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p Europe Index Fund - £19.49 19.51 (1De95)
Lazard Smaller Equities Inv Tst PLCCum Red Stepped Capped Prf £1 - 161‡ (6De95)
London & St Lawrence Investment PLCOrd 5p - 172 4
MCIT PLC S Inc Shs 50p(Ptly Pd) - 35½ (4De95)
Minerals Oils&Res Shs Fund Inc $0.10 - $18.18 (4De95)
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 21 2 (6De95)
New Throgmorton Trust(1983) PLC Zero Cpn Deb Stk 1998 - £83 ¼
Paribas French Investment Trust PLCSers "B" Warrants to sub for Ord - 14½
Rights and Issues Inv Trust PLC 5½% Cum Prf £1 - 73 (6De95)
Schroder Korea Fund PLC Ord $0.01 (Br) - $12¼Φ
Schroder Korea Fund PLC Wts to Sub for Ord (Br) - $4¼
Scottish American Investment Co PLC4% Irrd Deb Stk - £43
Scottish Eastern Inv Trust PLC 9¾% Deb Stk 2020 - £113 (5De95)
Scottish Mortgage & Trust PLC 4½% Irrd Deb Stk - £46
Scottish Mortgage & Trust PLC 6-12% Stepped Int Deb Stk 2026 - £137½ (5De95)
Scottish Mortgage & Trust PLC 8%-14% Stepped Interest Deb Stk 2026 - £156 (1De95)
Scottish National Trust PLC 10% Deb Stk 2011 - £112½
Second Alliance Trust PLC 4½% Cum Prf Stk - £47 (5De95)
Shires High-Yielding Smllr Co's TstWts to Sub for Ord - 53 (1De95)
TR City of London Trust PLC Pfd Ord Stk(20% Non-Cum)£1 - 200 (5De95)
TR City of London Trust PLC 6% Cum 1st Prf Stk - £68 (1De95)
TR Smaller Companies Inv Trust PLC 4½% Cum Prf Stk - £44 (6De95)
Updown Investment Co PLC Ord 25p - 848‡
Wigmore Property Investment Tst PLCWts to Sub for Ord - 13 (6De95)
Witan Investment Co PLC 8% Deb Stk 96/99 - £100 (1De95)
Witan Investment Co PLC 8½% Deb Stk 2016 - £104 (6De95)
Witan Investment Co PLC 6¼% Exch Bds 2008(RegIntPrinc £1000) - £108½
Witan Investment Co PLC 6¼% Exch Bds 2008 (Br £ Var) - £108

USM Appendix

Midland & Scottish Resources PLC Ord 10p - 4

Alternative Investment Market

Athelney Tst 52,57(6.12)

RULE 2.1 (a)(v)

Bargains marked in securities (not falling within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland.

Anglo Alpha NPV R139.85,140.0(5.12)
Brk E Asia H$27.5(6.12)
Central Kalgoorlie A$0.0403(1.12)
City Devs S$9.5023,9.588841(7.12)
Dainip Scrn Man Y931.04(7.12)
Kuala Slom Rup £1.1,1.15(6.12)
Kulim Malay Ord RM3.54(6.12)
Leighton Hldgs A$3.3182(5.12)
Malayan Airline RM7.7231(5.12)
Malayan Credit S$2.5991(7.12)
Nth Flinders Mines A$7.332(5.12)
Sapphire Mines A$0.151(5.12)
Sensormatic Elec $20.75(5.12)
Singapore Land S$8.364567,8.494(5.12)
Utd O'seas Lnd S$2.721202,2.7453(5.12)
Utd Plants Berhad RM5.2(5.12)
Winsor Ind H$6.775(6.12)

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هكذا من الأصل

LONDON STOCK EXCHANGE

MARKET REPORT

Footsie lower for fifth successive trading session

By Steve Thompson,
UK Stock Market Editor

A timely reminder of the potential for profit-warnings in the UK equity market, coupled with another bout of the jitters in the US and an afternoon reversal in bond markets, saw the FT-SE 100 index register its fifth successive decline.

Wall Street continued to play a big part in unsettling London, as well as other European markets. The Dow Jones followed up Thursday's steep fall of nearly 40 points, with another less-than-convincing showing at the start of US trading yesterday, following the November non-farm payroll report.

Footsie ended another volatile session a net 9.5 lower at 3,630.0, a decline of 50.4 points, or 1.3 per cent, over the week. The FT-SE Mid 250, meanwhile, suffered more than the senior index, sliding 20.7 to 3,933.2. Over the week, it fell less than one per cent.

Laporte, the chemicals group, was largely responsible for the underperformance of the Mid 250 index, after shocking the market with a profits warning, the second from a chemicals group this week. Laporte said it expected current year profits to come in around 10 per cent lower than most forecasts, triggering a 22 per cent slide in its share price.

The dismal showing by Laporte cancelled out the benefits to the Mid 250 index of a good performance from T & N, the automotive components and engineering group, which emerged victorious from a $185m lawsuit in the US.

The day's crucial event, however, was the US payroll report, which initially saw Treasury bonds race ahead by a full point, before coming off sharply to trade only 5 ticks higher as London closed. Gilts, which struggled throughout the morning, picked up to post gains of 8 ticks on the back of US bonds, before coming off and ending virtually unchanged on the day.

The Dow edged higher at the outset, as dealers scrutinised the numbers, but quickly reversed, falling back to display a 20-point decline, before steadying.

The FT-SE 100 kicked off the session with a 7-point loss, declined further in mid-morning, but embarked on a good recovery in the early afternoon. At best, the index was 6.4 higher, but gains were wiped out by Wall Street's slide.

As well as being disturbed by the Laporte warning, the market became increasingly nervous about Monday's official market debut of National Grid shares. Some dealers hinted that the shares might not go as well as some have predicted.

"The market knows that five of the recs will be looking to place their grid shares, probably via a series of bought deals; the institutions might hold off and hope to buy the stock in big size later on." The five recs hold between 45 and 48 per cent of Grid stock.

As well as the possibility of UK and German interest rate cuts, next week sees the expiry on Friday of the FT-SE future and index options as well as triple witching in the US. There were also murmurings around the trading desks of more bid activity; one of the day's wilder stories was that BP was contemplating a bid for British Gas.

Turnover in equities was 678.1m shares. Customer business on Thursday was valued at £1.74bn.

Indices and ratios		
FT-SE Mid 250	3933.2	-20.7
FT-SE-A 350	1798.9	-5.8
FT-SE-A All-Share	1773.38	-5.36
FT-SE-A All-Share yield	3.83	(3.81)
FT Ordinary Index	2630.1	-4.9
FT-SE-A Non Fins p/e	16.49	(16.52)
FT-SE 100 Fut Dec	3634.0	-11.5
10 yr Gilt yield	7.46	(7.43)
Long gilt/equity yld ratio:	2.02	(2.04)

FT-SE 100 Index	
Closing index for Dec 8	3630.0
Change over week	-39.7
Dec 7	3639.5
Dec 6	3652.8
Dec 5	3664.2
Dec 4	3669.7
High*	3683.6
Low*	3618.2

*Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i†	119	424	-1	London Elect.†	1,500	891	+2
ASDA Group†	7,700	103	-½	Lonrho	863	176	-1
Abbey National†	6,300	626	-5	Lucas	3,900	177	-2
Albert Fisher	439	47½	-1	MEPC	873	395	+1
Allied Domecq†	2,300	495½	+3½	MFI	1,200	153	-1
Anglian Water	241	589	-1	Marks & Spencer†	4,600	438	+3
Argos	230	579	+8	Mercury Asset Man	90	889	-3
Argyll Group†	2,100	309	-2	Midlands Elect.†	1,000	979	+4
Arjo Wiggins†	1,100	182	+3½	Morrison (Wm.)	454	138	-1
Assoc. Brit. Foods†	511	725	-2	NFC	700	136	
Assoc. Brit. Ports	185	293	-1	NatWest Bank†	5,100	656	-8
BAA†	3,100	480	-4	National Power†	1,700	459	-1
BAT Inds.†	5,500	548½	-8½	Next	567	444	-5
BET	868	120	-1	North West Water†	615	588	-1
BICC	861	273	-5	Northern Elect.	2,800	928	+10
BOC†	2,300	892	+9	Northern Foods	348	172	-3
BP†	8,900	524	-3	Pearson†	1,100	654	+9
BPB Inds.	1,100	297	-8	P & O†	1,500	475	-3
BSkyB†	4,700	418½	+16½	Pilkington	876	191	
BT†	14,000	349	+3	PowerGen†	1,300	525	-2
BTR†	6,900	321½	+1	Prudential†	3,500	430	-10
Bank of Scotland†	1,500	272	-6	REXAM†	1,400	328	-2
Barclays†	5,000	768	-8	RMC†	1,200	997	-17
Bass†	3,800	715	+3	RTZ†	951	934	-9
Blue Circle†	1,200	330		Racal	1,200	276	+3
Booker	164	341	-7	Rank Org.†	1,100	415	
Boots†	1,200	582	+5	Reckitt & Colman†	1,100	658	-11
Britannic	70	722	-2	Redland†	1,900	374	+10
Brit. Aerospace†	1,600	793	-7	Reed Intl.†	5,300	978	-21
British Airways†	3,700	465	-2	Rentokil†	687	330	+7
British Gas†	3,200	226½	-2½	Reuters†	2,600	604	-9
British Land	146	374	-2	Rolls Royce†	10,000	174½	+2½
British Steel†	8,700	167	-½	Ryl Bk Scotland†	2,700	567	+1
Burcl	319	190	-1	Royal Insurance†	1,800	379	-2
Burmah Castrol†	1,300	932	-28	Sainsbury†	2,400	371	
Burton	5,900	131	+1	Schroders†	127	1333	-2
Cable & Wire†	4,300	443	-1	Scottish & New.†	1,100	595½	-5½
Cadbury Schweppes†	2,100	545½	+4½	Scot. Hydro-Elect.	114	357	+1
Caradon	2,300	185	-1	Scottish Power†	1,000	369	
Carlton Comms.†	634	982½	-18½	Sears†	15,000	95½	-1
Coats Viyella	4,400	173	-4	Sedgwick	801	118	-2
Comm. Union†	1,200	631	-7	Seeboard	1,600	639	+1
Compass	1,800	447	-3½	Severn Trent†	254	668	
Cookson†	3,200	312		Shell Transport†	3,500	825½	-3½
Courtaulds†	1,200	380		Siebe†	577	765	-3
Dalgety	585	385	-7	Slough Ests	1,100	208	-2
De La Rue†	831	685	+33	Smith (W.H.)	520	417	+3
Dixons	5,400	410	-2	Smith & Nephew†	847	190¾	-¾
East Midland Elect.	1,600	887	-2	SmKl Beecham†	1,600	693½	-6½
Electrocomps	88	349	-1	SmKl Beecham Uts.†	610	685½	-7½
Eng China Clays	1,900	288	-18	Smiths Inds.	260	616	-2
Enterprise Oil†	1,600	357	-7	Southern Elect.†	583	933	-2
Eurotunnel Units	90	90	-1	South Wales Elect.	1,700	1169	+1
FKI	728	165		South West Water	494	498	+4
Foreign & Col. I.T.	1,400	161½		Southern Water	498	683	+1
Forte†	6,300	338½	+½	Standard Chartd.†	1,600	561	-5
Gen. Accident†	1,000	650	-20	Storehouse	606	342	-2
General Elect.†	10,000	314		Sun Alliance†	2,200	374	-13
Glaxo Wellcome†	3,400	883½	-2½	T&N	13,000	165	+35
Glynwed	498	306½	-1½	TI Group†	873	435	-5
Granada†	1,800	634	-11	TSB†	4,400	406	-7
Grand Met.†	1,200	444½	-1½	Tarmac	601	94	
GUS†	5,800	665	+33	Tate & Lyle†	1,700	465	+8
Greenalls	61	533	-1	Taylor Woodrow	960	118	
GRE	3,700	268	-7	TeleWest	58	164	-1
GKN†	2,900	799	-9	Tesco†	3,300	289	-1
Guinness†	2,100	451½	-½	Thames Water†	199	569	-1
HSBC (75p shs)†	1,800	998	+6	Thorn EMI†	693	1595	-1
Hammerson	128	341	-3	Tomkins†	4,300	262	-1
Hanson†	10,000	189	+2	Trafalgar House	7,100	29½	+¼
Harrisons Crosfield	598	144		Unigate	170	413	-3
Hays	687	353	-2	Unilever†	2,100	1328	+23
Hillsdown	5,100	162	-2	United Biscuits	1,100	254	-1
IMI	983	308	+2	Utd. News & Media	519	538	-14
ICI†	2,000	742	-9	Vodafone†	9,400	225	+8
Inchcape†	6,000	206½	-4½	WPP	904	146	-4
Johnson Matthey	1,300	548	+5	Welsh Water	533	728	-1
Kingfisher†	2,400	509	+1	Wessex Water	271	333	
Kwik Save	239	554	-2	Whitbread†	1,400	651	-8
Ladbroke†	2,700	156	+1	Williams Hldgs.†	2,500	325	+2
Land Securities†	1,100	604		Willis Corroon	283	136	-1
Laporte	5,800	610	-173	Wimpey	1,800	130	-1
Legal & General†	1,700	685½	-12½	Wolseley†	400	440	
Lloyds Abbey	157	453	-3	Yorkshire Elect.	1,300	884	-2
Lloyds Bank†	4,300	870½	-17½	Yorkshire Water	392	824	-1
LASMO†	1,500	165	-3	Zeneca†	2,100	1293½	-22½

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. All trades are rounded. † indicates an FT-SE 100 Index constituent.

EQUITY FUTURES AND OPTIONS TRADING

The retreat from early gains in bond markets in both the US and Europe prompted another decline in stock index futures, *writes Joel Kibazo.*

At the close, the December FT-SE 100 contract stood at 3,634, down 11 points on its previous close and just a point above its fair value premium to cash of 3 points.

Some 12,647 lots had been traded by the close, although dealers pointed out that once again a large part of the business was roll-over activity into the March contract which becomes the market leader next Friday. It traded 5,867 contracts.

Volume was slightly down in the traded options, where total turnover reached 29,605 lots against 31,122 lots on Thursday.

The FT-SE 100 option traded 10,976 lots and the Euro FT-SE 10,235 contracts. Vodafone Group was the busiest stock option with a total of 1050 trades. BT and BTR were also active.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3641.0	3634.0	-11.5	3655.0	3620.0	12647	50829
Mar	3663.0	3657.5	-12.5	3678.0	3645.0	5867	28716
Jun		3661.0	-11.5			0	1116

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec		3935.0	-15.0			0	475
Mar		3985.0	-15.0			0	3183

■ FT-SE 100 INDEX OPTION (LIFFE) (*3636) £10 per full index point

	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P	3600 C	3600 P	3650 C	3650 P	3700 C	3700 P	3750 C	3750 P	3800 C	3800 P
Dec	187	1	137	2	88½	4½	44½	11½	14½	32½	2½	76	1	126	1	178
Jan	209	11	157	18½	118	29½	83½	45	53	65½	31	95	16	133½	7½	181
Feb	221½	20½	180	29	141½	40½	106	58	79	79½	56½	108	38	143	23½	183½
Mar	237½	33	198½	44	161½	58	139	77	109	96	76	125	54½	156	37½	192
Jun†			238½	87½			173	120			123	168½			81	228½

Calls 5,317 Puts 5,516

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3475 C	3475 P	3525 C	3525 P	3575 C	3575 P	3625 C	3625 P	3675 C	3675 P	3725 C	3725 P	3775 C	3775 P	3825 C	3825 P
Dec	159½	1	110½	2	64	5½	26	17	6½	47	1	91½	1	141	1	191
Jan	179	14½	136½	21½	98½	33	65½	49½	41	74½	24	107	12½	146	6½	189
Feb	196½	19½	157½	30	122	44	92	63	66½	87	46	116½	31	150½	20	188½
Mar			177½	47½			118½	78½			62½	128½			32½	197
Jun†			219	88½			159½	124½			106½	170			70½	228½

Calls 1,737 Puts 8,042 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 30 1994 based on Friday December 8 1995

Pharmaceuticals	+54.17	Mineral Extraction	+17.80	Household Goods	+8.03
Life Assurance	+45.40	FT-SE-A 350	+17.02	Electricity	+7.74
Banks, Retail	+42.98	FT-SE-A All-Share	+16.56	Retailers, Food	+7.72
Financials	+33.91	Water	+16.41	Gas Industrials	+5.09
Tobacco	+28.65	Services	+15.86	Oil Exploration & Prod	+3.74
Consumer Goods	+27.80	FT-SE-A 350 Higher Yld	+15.16	Building & Construction	+2.49
Support Services	+26.42	Engineering, Vehicles	+14.87	Spirits, Wines & Ciders	+1.86
Breweries	+25.92	Non-Financials	+13.45	Chemicals	+0.66
Media	+24.70	Electronic & Elect Equip	+13.26	Diversified Industrials	+0.22
Health Care	+23.69	FT-SE Mid 250 ex ITs	+12.51	Utilities	+0.14
Insurance	+23.40	FT-SE Mid 250	+12.32	Telecommunications	-0.24
Leisure & Hotels	+22.78	FT-SE SmallCap ex ITs	+11.63	Distributors	-0.70
Banks, Merchant	+22.28	Extractive Industries	+11.21	Property	-0.77
Oil, Integrated	+20.68	Investment Trusts	+11.06	Building Matls	-0.92
Engineering	+20.19	FT-SE SmallCap	+11.02	Transport	-2.42
Retailers, General	+19.74	FT-SE-A Fledgling ex ITs	+10.82	Textiles & Apparel	-4.80
FT-SE-A 350 Lower Yld	+19.22	FT-SE-A Fledgling	+10.53	Paper, Pckg & Printing	-10.20
FT-SE 100	+18.41	Food Producers	+10.37	Gas Distribution	-27.33

Grid sparks awaited

Tension began to build among investors regional electricity stocks yesterday. Several recs go ex their National Grid stakes on Monday and the changes are expected to produce intense activity in the market.

As shareholders receive big payouts from the electricity companies entitled to a share of the National Grid, a flood of cash is expected to be looking for a home.

There was talk yesterday that a number of leading brokers were pitching aggressively for the stakes. And a leading investment bank was believed to have carried out detailed book building in preparation for the week's dealing.

However, analysts believe bigger stake holders may hold on for a few days until the market settles.

In the grey market National Grid shares held at 209p after turnover of 30m.

Also, once any murkiness over the valuations of the last remaining independent recs is cleared up more bids could emerge. Groups such as London, which announces figures on Thursday, Northern which reports on Tuesday, and Yorkshire are all expected to attract takeover moves. There were suggestions yesterday that Yorkshire Water could soon make a move on its regional electricity counterpart. Cum dividend, London rose 2 to 891p and Northern 10 to 928p. Yorkshire Electricity eased 2 to 884p.

Laporte shock

Speciality chemicals group Laporte shocked the market with a stark profits warning that knocked 22 per cent off the company's share price yesterday.

Laporte tumbled 173 to 610p after the company warned that profits would fall to about 10 per cent below last year's level and announced an £85m charge for restructuring and the write-down of assets.

A second half downturn in chemicals for the construction and bulk polymer industries and a continuing poor performance in water technology and trading in South America and Australia were blamed.

Analyst Mr Charles Lambert said the predictions had thrown analysts into confusion. "This has been a knee-jerk reaction but the full-year figures are likely to be closer to £110m than £130m to £140m and there's no way you can take a view until you see those figures."

Concerns about construction chemicals wiped 28 off the share price of Burmah Castrol, the oil group, which closed at 932p. However, SGST argued that any overlap between the two companies was limited and Burmah should be bought on weakness.

Other chemicals groups also suffered. ICI tumbled 18 but rallied to close 9 off at 742p and Courtaulds slid 8 then recovered to close unchanged at 380p.

News of management changes at Great Universal Stores announced on Thursday and the favourable prospects for the group following the changes, continued to excite the market and made the stock the best performer in the Footsie.

The shares rose by more than 5 per cent as they jumped 33 to 665p, to make a two-day rise of 51p, in heavy trade of 5.8m. BZW was said to have been one of the main buyers of stock over the last two sessions and Mr Tony Shiret at the investment bank said: "We have reappraised the potential for the core home shopping business and we see it breaking out of the dull trading of the last decade."

ABN Amro Hoare Govett, another fan of the stock has changed its recommendation from "hold" to "undervalued", and believes, "the new management can release more value from shareholders than the current management."

But analysts at NatWest Securities injected a note of caution in the general euphoria, reducing its recommendation from "add" to "hold".

Engineering group T&N once again led the league table of the day's best performers in the FT-SE Mid 250 index, as the market celebrated news that Chase Manhattan bank's £185m asbestosis claim against the UK group had failed.

The shares jumped 35 to 165p. Panmure Gordon urged investors to buy the stock and said: "The huge sigh of relief has rightly been mirrored in the share price this morning. We believe that it still has further to go, as the "dust" settles post the decision and the market starts to see that there really is some light at the end of the asbestos tunnel."

Leading composite stocks which have big holdings in US equities fell in response to Wall Street's Thursday decline. General Accident shed 20 to 650p and Sun Alliance 13 to 374p.

Insurance broker Lowndes Lambert improved 7 to 140p. Analysts said that when the group's colourful chairman, Mr Richard 'Rocky' Shaw, died recently and there was a feeling that his stake of around 5 per cent would be sold into the market. As the concern about an overhang of stock faded, the share price picked up.

Pressure on Reed International continued despite reassurances from the company that there was no threat from Internet competition. The shares fell sharply on Thursday in response to a US business magazine article. Although they steadied early yesterday, the rout continued and Reed were down a further 45 at worst before settling 21 off at 978p.

Media conglomerate Pearson, which had been dragged down in Reed's wake, bounced 9 to 654p as analysts reassured their traders that there was very little similarity between the two group's in terms of academic publishing – the area highlighted in the damaging article.

BSkyB, the satellite broadcaster which has seen its shares on worries about an Office of Fair Trading inquiry, recovered 16½ to 418½p. There was some relief from news that BSkyB was planning a range of new television slots including an arts channel, education channel, computer channel and games channel.

It was too late to rescue De La Rue from Footsie exclusion but the shares bounced 33 to 685p.

UK hotels group Forte, currently under siege from Granada Group, edged forward to close at 338½p, as it once again urged investors to reject the Granada offer and forecast a 46 per cent rise in profits to £185m. Granada shares closed 11 lower at 634p.

NEW HIGHS AND LOWS FOR 1995

NEW HIGHS (140).
GILTS (8) BANKS, RETAIL (1) Irish Perm, BLDG MATLS & MCHTS (2) Rare, Kingspan, DISTRIBUTORS (2) Harris (Ph), Young (H), DIVERSIFIED INDLS (1) Hewitt, ELECTRONIC & ELECT EQUP (8) Acorn Computer, Johnson Elec, Pacer Systems, Sony, Toshiba, Vtech, ENGINEERING (3) Apollo Metals, Ransomes, Do 8¼p Pf, EMG, VEHICLES (2) Honda Motor, Volkswagen, EXTRACTIVE INDS (10) FOOD PRODUCERS (2) Carrs Milling, Greencore, HEALTH CARE (1) Baxter Intl, HOUSEHOLD GOODS (2) Derby, Mayborn, INSURANCE (3) INVESTMENT TRUSTS (28) INVESTMENT COMPANIES (8) LEISURE & HOTELS (2) Chrysalis, Games Workshop, LIFE ASSURANCE (1) Lincoln Natl, MEDIA (4) Avesco, Metal Bulletin, On Demand Info, VTR, OIL EXPLORATION & PROD (2) Melrose Energy, Do Wrnts, OIL, INTEGRATED (2) OTHER FINANCIAL (8) OTHER SERVS & BUSNS (1) BTG, PAPER, PACKG & PRNTG (1) Dolphin Pack, PHARMACEUTICALS (1) Novo Nordisk, PROPERTY (1) RPS, RETAILERS, GENERAL (8) Argos, Goldsmiths, Great Univsl, Hamleys, Kingsbury, Oriflame Intl, SUPPORT SERVS (6) MITIE, Microgen, RM, Sage, Univl Salvage, Vega, TEXTILES & APPAREL (3) Abbeycrest, Dalyyain, Hicking Pentecost, TRANSPORT (1) Stagecoach, WATER (1) Wessex Cm Pf, AIM (1) Abacus Recruitment, AMERICANS (14) CANADIANS (4) SOUTH AFRICANS (3)

NEW LOWS (57).
GILTS (3) BUILDING & CNSTRN (1) Avonside, BLDG MATLS & MCHTS (1) British Dredging, CHEMICALS (6) Brent Intl, Hickson Intl, Holliday, Laporte, Yorkshire, DISTRIBUTORS (4) Adam & Harvey, Culver, Faber Prest, Inchcape, DIVERSIFIED INDLS (3) Adwest, BTB Wrnts 1998, Wassall, ELECTRONIC & ELECT EQUP (4) ENGINEERING (1) Bullough, EXTRACTIVE INDS (4) English China Clays, Rand Mines, Redeurum, Vogels, FOOD PRODUCERS (3) Booker, Langdons, UB, HOUSEHOLD GOODS (4) Delaney, Tarns (J), Vymura, Walker Greenbank, INVESTMENT TRUSTS (7) LEISURE & HOTELS (1) First Choice Holidays 9¾p Pf, MEDIA (1) Golden Rose Comms, OTHER FINANCIAL (1) Edn Fd Mgrs, OTHER SERVS & BUSNS (1) Greenway, PAPER, PACKG & PRNTG (4) Arjo Wiggins Appleton, REXAM, Sappi, Sidlaw, PROPERTY (2) Green (E), Tops Ests, RETAILERS, FOOD (1) Sainsbury (J), RETAILERS, GENERAL (1) Church, TELECOMMUNICATIONS (1) BT, TRANSPORT (4) Central Tran Rental, NFC, Tibbett & Britten, Ugland Intl.

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises		
BSkyB	418½	+ 16½
De La Rue	685	+ 33
Devro Intl	251	+ 12
GUS	665	+ 33
Lowndes Lambert	140	+ 7
Pearson	654	+ 9
Pressac	145	+ 9
T&N	165	+ 35
Tadpole Tech	79	+ 13
Unilver	1328	+ 23
Falls		
Biotrace	34	− 5
Brit Biotech	1528	− 82
Carlton Comms	982½	− 18½
English China	288	− 18
Firecrest	145	− 20
Gen Accident	650	− 20
Laporte	610	− 173
Lloyds Bank	870½	− 17½
Proteus	111	− 15
Reed Intl	978	− 21

FT - SE Actuaries Share Indices — The UK Series

	Dec 8	Day's chge%	Dec 7	Dec 6	Dec 5	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995 High		1995 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3630.0	-0.3	3639.5	3652.8	3664.2	2977.3	3.96	2.09	15.10	136.05	1444.14	3680.4	1/12	2954.2	23/1	3680.4	1/12/95	986.9	23/7/84
FT-SE Mid 250	3933.2	-0.5	3953.9	3959.8	3969.3	3395.8	3.52	1.85	19.23	139.17	1538.95	3991.3	5/10	3390.9	8/3	4152.8	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	3943.2	-0.6	3965.8	3973.1	3983.2	3395.2	3.66	1.91	17.88	146.19	1543.36	4018.1	5/10	3306.4	8/3	4160.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1798.9	-0.3	1804.7	1814.3	1815.8	1492.5	3.86	2.04	15.84	66.57	1463.38	1821.5	1/12	1482.4	23/1	1821.5	1/12/95	664.5	14/1/86
FT-SE-A 350 Higher Yield	1794.0	-0.4	1800.7	1809.0	1809.8	1504.2	4.88	1.84	13.91	81.47	1209.97	1819.4	1/12	1507.7	9/3	1819.4	1/12/95	669.2	14/1/86
FT-SE-A 350 Lower Yield	1808.6	-0.3	1813.4	1824.4	1826.7	1442.8	2.82	2.40	18.49	50.44	1229.41	1828.4	1/12	1464.9	23/1	1828.4	1/12/95	657.4	14/2/86
FT-SE SmallCap	1938.64	-0.1	1940.28	1950.69	1954.21	1739.83	3.32	1.69	22.21	58.25	1565.16	1993.11	11/9	1676.61	13/3	2094.96	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	1915.42	-0.1	1916.87	1923.60	1933.57	1710.57	3.56	1.77	19.88	62.12	1554.48	1972.36	11/9	1668.18	13/3	2080.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1773.38	-0.3	1778.74	1788.24	1789.84	1479.86	3.83	2.02	16.18	64.77	1469.16	1794.95	1/12	1480.23	23/1	1794.95	1/12/95	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Dec 8	Day's chge%	Dec 7	Dec 6	Dec 5	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995 High		1995 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(23)	3156.27	-0.7	3179.38	3165.87	3142.49	2594.08	3.71	2.02	16.69	116.67	1328.16	3183.22	4/12	2588.55	6/3	3183.22	4/12/95	980.29	19/2/88
12 Extractive Industries(7)	4184.64	-1.2	4235.21	4270.17	4282.49	3700.34	3.54	2.51	14.09	143.77	1159.83	4380.32	27/11	3340.96	20/2	4380.32	27/11/95	1000.00	31/12/85
15 Oil, Integrated(3)	3201.51	-0.6	3220.11	3185.57	3162.74	2559.37	3.84	1.96	16.83	123.19	1381.07	3220.11	7/12	2681.38	6/3	3220.11	7/12/95	982.30	20/2/86
16 Oil Exploration & Prod(13)	1946.77	-1.3	1971.99	1982.49	1984.26	1821.13	2.58	1.49	32.41	49.88	1155.53	2119.88	10/5	1867.13	23/1	3844.10	6/8/90	850.38	28/7/86
20 GEN INDUSTRIALS(277)	1919.12	-0.2	1922.58	1921.26	1923.52	1804.00	4.33	1.89	15.28	76.47	1027.35	2016.08	20/9	1767.07	9/3	2232.80	2/2/94	988.10	14/1/86
[illegible]	[illegible]																		

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3632.1	3633.2	3630.4	3621.2	3628.8	3629.6	3636.4	3644.3	3636.4	3645.9	3618.2
FT-SE Mid 250	3944.2	3943.1	3944.5	3936.5	3935.7	3933.5	3934.4	3933.3	3933.9	3944.2	3933.2
FT-SE-A 350	1800.8	1801.1	1800.0	1795.8	1797.9	1798.8	1801.4	1804.5	1801.4	1805.2	1794.8

■ FT-SE Actuaries 350 Industry baskets

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LEGAL NOTICES

IN THE MATTER OF ELECTROLUX UK LIMITED and IN THE MATTER OF THE COMPANIES ACT 1985

[illegible]

OFEX is a trading facility for share dealing in unquoted companies.

[illegible]

LONDON SHARE SERVICE

BANKS, MERCHANT

BANKS, RETAIL

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

CHEMICALS - Cont.

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INSURANCE - Cont.

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INV TRUSTS SPLIT CAPITAL

هكذا من الأصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PHARMACEUTICALS - Cont.

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

SUPPORT SERVICES - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

WATER

AIM

AIM - Cont.

AMERICANS

CANADIANS

SOUTH AFRICANS

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Extel, a member of the Financial Times Group

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column only as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

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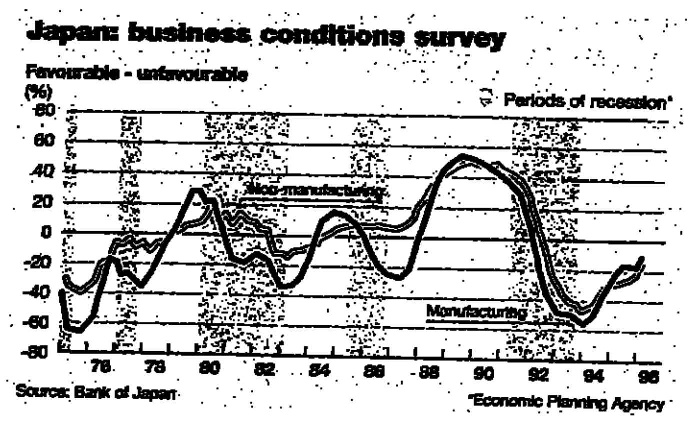
FINANCIAL TIMES
Weekend December 9/December 10 1995

Business survey points to increased profits

Outlook for Japanese companies improves

By William Dawkins in Tokyo



Japan's leading companies feel slightly more confident about business conditions than three months ago and expect further recovery in the short term, the Bank of Japan announced yesterday.

The bank's quarterly Tankan business survey, the most authoritative guide to Japan's short-term economic outlook, points to higher corporate profits and fewer companies with excess labour.

But this is partly offset by a build-up of stocks of unsold goods and a weak outlook for domestic demand, according to a poll of executives last month.

The results, in line with the market's expectations, show that the first fragile signs of recovery, helped by a Y14,220bn ($140bn) fiscal stimulation package in September, are too weak to tempt the central bank to raise its record low interest rates, said economists in Tokyo.

Manufacturers produced a score of minus 14 on the Tankan's confidence index – which measures the balance between the percentage of those reporting better and worse conditions – a small improvement on minus 18 in the previous survey, in August. Service industries also improved a fraction, from minus 28 to minus 22 over the same period.

This shows that the economy is still "stalled" but that the risk of a recession is diminished, said a BoJ official. A warning by the Organisation of Economic Co-operation and Development a day earlier that Japan risked fresh recession was yesterday questioned by the country's top economic official.

Mr Isamu Miyazaki, director-general of the Economic Planning Agency, dismissed the OECD's forecast of 1.8 per cent growth in gross domestic product next year as too low and failing fully to reflect the government's stimulation measures. He expects growth of 2 per cent to 3 per cent in the fiscal year to March 1997.

Yesterday's Tankan survey, however, shows companies have yet to trim their stocks of goods and materials in line with demand. The balance of those with surplus inventories rose from 17 in August to 19 last month, though on balance companies expected stocks to fall by March.

The weakness of domestic demand is shown by a small reduction in manufacturers' sales forecasts for the year to next March, from 1.6 per cent in August, to 1.4 per cent now.

Despite their sluggish sales, manufacturers expect profits to rise nearly 27 per cent in 1995, the second year of increase. Service companies expect a 1.7 per cent profits rise, a sharp upgrade from the previous survey and the first improvement in five years. But their sales outlook is even weaker than manufacturers' – down 2.1 per cent, the fifth year of decline.

Japan has seen four bank collapses since the last survey was conducted, but this does not appear to have harmed industry's access to credit. The balance of those who found their financial position easy rose slightly to 12, while a balance of 33 described their banks as accommodating, up from 32 in November.

Jersey may change laws to attract top UK accountants

By Jim Kelly, Accountancy Correspondent

Jersey is to try and change its laws to attract the UK's Big Six accountancy firms, which are seeking to protect partners' personal assets from rising litigation.

It is understood an official announcement will be made next Monday in the capital, St Helier, that the island's legislature will be asked to allow firms to register as limited liability partnerships.

Arthur Andersen, part of the world's largest accountancy firm, suggested it may take advantage of the proposed new law. This follows indications earlier this week from Price Waterhouse and Ernst & Young that they may wish to go offshore.

Mr Jim Wadia, senior partner at Andersen's in the UK, said the firm would be "evaluating" the "Jersey initiative", although it would review all the options.

Ernst & Young and Price Waterhouse are expected to announce their backing for the Jersey proposal for limited liability partnerships – an option already open to US firms registering in Delaware.

If the three firms did register in Jersey they would remain resident in the UK and continue under the present tax and regulatory frameworks.

At present Jersey law, like that in the UK, allows for only a restricted form of limited liability partnership which has proved of little use to large accountancy firms. The proposed law change – which could take several months – represents efforts by Jersey to attract high-profile businesses to the island.

Jersey, which is not part of the EU and describes itself as "offshore Europe", held bank deposits in December 1994 of £64bn and collective investment funds of £22bn.

UK accountancy firms have been investigating ways of limiting liability in the face of rising litigation which first became a problem in the US market.

The Big Six complain they face an unfair burden of damages stemming from legal actions because they can face all the damages in a claim even if they are only partly negligent.

Limited liability partnerships protect the personal assets of partners from legal action stemming from negligence by other partners.

There were indications yesterday that middle-tier firms could be forced to follow the Big Six offshore.

One partner with a leading firm said: "We could be forced to go by our insurers."

KPMG, the Big Six firm which has already decided to limit the liability of its partners by creating a limited company for audit work, said yesterday it would stick to its plan.

THE LEX COLUMN

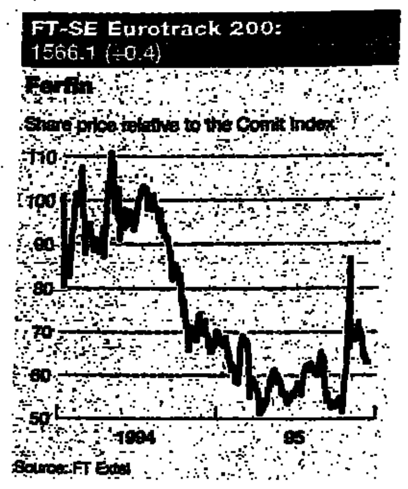
Milanese manoeuvres

Mediobanca's ruse of avoiding confrontation at yesterday's Ferruzzi Finanziaria shareholders meeting by holding it on a bank holiday was only partially successful. Certainly, the Milanese merchant bank won the battle. But having tied up around 35 per cent of shares in Ferfin – the holding company of industrial group Montedison and insurer Fondiaria – Mediobanca's victory was never in any doubt. However, for the first time, a Mediobanca restructuring plan has attracted vocal opposition from Italian banks. And this increases hope that Mediobanca's monopoly of Italian finance may finally be under threat, from an alternative banking group built around the San Paolo di Torino and Cariplo banks, and investment banking group IMI.

Nonetheless, yesterday's approval of Ferfin's proposed L953bn ($598m) capital increase is nothing to cheer about. The deal would be positive for shareholders if it were a means of ensuring an independent existence for Ferfin. It is not. Mediobanca has made clear that it still looks favourably on plans to merge Ferfin with the lamentably poorly managed Gemina. Since Mediobanca in effective controls both companies, there is every risk that this Frankenstein-like conglomerate will come to life.

Moreover, San Paolo's so-called alternative banking galaxy has hardly come up trumps. San Paolo was the largest single shareholder in Ferfin, and thus well-placed to flex muscle. So having the lost the battle its latest expression of discontent is unlikely to strike fear into the hearts of senior Mediobanca executives.

FT-SE Eurotrack 200: 1566.1 (+0.4)



Laporte

It has become almost *de rigueur* for a new chief executive to knock a poorly performing business into shape with a big reorganisation exercise. But it comes as a shock when the company is one as apparently solid and well-run as Laporte, the speciality chemicals group. That is why yesterday's £85m restructuring, launched by Mr Jim Leng, chief executive, knocked 23 per cent off the shares.

After just two months in the job, Mr Leng has discovered that Laporte is not nearly as profitable as he and almost everyone else believed. Nearly £14m or 11 per cent of last year's profits came from non-trading items, principally a pension credit and cash from unwinding a joint venture. These are expected to reduce to almost nothing over the next three years. Mr Leng has also decided that many of the group's businesses – spread over 90-odd sites – are too small, while central headquarters has become rather too large. As a result, he is setting aside £50m to close plants and cut jobs, and another £30m to write down assets in the hope of selling some of the weaker units. In addition, Laporte has been hit by destocking and falling chemical prices. There was not a whiff of that at September's interims, when Mr Leng's predecessor, Mr Ken Minton, forecast continued progress.

Mr Leng's actions should make Laporte a better business, though the full benefits will not materialise until 1997. Profits this year will come in 20 per cent below expectations with little improvement forecast for 1996. Investor confidence will be slow to recover.

T&N

The heavy shadow of asbestos is starting to lift from T&N. Victory in its legal battle with Chase Manhattan signals the end of a slew of expensive property suits that have dogged the UK engineering group and former asbestos producer.

Some concerns remain – T&N still faces personal injury claims both in the UK and US. In Britain, the number of cases is small at present and payouts are running at around £4m a year – insignificant for a group this size. The company is appealing against a recent court ruling which suggested it could be liable for exposing residents near its factories to harmful asbestos dust. In America, the number of claims is larger, but they have been capped by the Georgine settlement.

T&N has already announced that it is setting aside £50m from profits in both 1995 and 1996 to provide for that. Those provisions will keep cash flow negative at a time when borrowings are already high. And there is always a danger of another unwelcome surprise: the Georgine settlement could yet be overturned on appeal.

Having said that, the risks are clearly diminishing, allowing investors to focus on the underlying business. With good market positions in products like pistons, double figure margins and geographic balance, T&N clearly deserves a re-rating. Despite a jump of nearly 40 per cent to 165p in two days, the shares still trade at a discount of 25 per cent to the market average. A 10 per cent discount would be more appropriate, suggesting that a price of 200p is attainable.

Forte

Forte's flimsy defence document adds little to the great debate as to whether a refocused Forte management will add more value than Granada's more finely honed catering and TV management skills. Forte's profits recovery is on track. And more importantly, the management is hinting at trophy hotel disposals – the easiest way to enhance earnings, when in the region of £1bn of exclusive hotels are delivering a meagre £40m or so of profits. But investors should await asset revaluations and the structure of a demerged restaurant group before deciding on Granada's offer.

Nonetheless, the ability of Granada to launch an irresistible bid looks increasingly questionable, even if some believe there are £100m of potential cost savings in the quarry. Granada's share price has fallen 9 per cent since its offer and is at the level at which its share offer is underwritten. A rising Granada share price was the key to its ability to make a substantial increase in its offer for LWT; without a share price recovery, it would be hard for Granada to raise its bid.

Moreover, reasons for caution over Forte are emerging. Granada always faced the threat that 31 hotel management contracts could vanish under change of ownership clauses. It appears that similar clauses apply to numerous sale and leaseback contracts for Forte properties; so in a worst case – if extremely unlikely – scenario, some heavy penalties could be incurred. This may not be a strong base from which to launch a much higher bid.

Warning on Bosnia as talks begin

Continued from Page 1

in Bosnia cannot fail, that we cannot allow the nightmare of the past three years to return."

But the opening of the London conference was clouded by continuing squabbles over who should head the mission to Bosnia of the Organisation for Security and Co-operation in Europe, the 53-nation body which will supervise elections. Earlier yesterday the US and EU ended a two-day foreign ministers' meeting in Budapest without agreement on the post.

Mr Strobe Talbott, the US deputy secretary of state, strongly advocates the candidature of Mr Robert Frowick, a US Balkan expert, while Mr Hervé de Charette, the French foreign minister, insists that a European should be in charge.

The OSCE will be responsible for organising elections, ensuring human rights compliance and overseeing arms control steps designed to ensure a low-level military balance between the former warring parties.

Barings cover-up bid denied

Continued from Page 1

did not gain from his fraud, but Mr Norris said he could "not see a real distinction" between Mr Leeson's actions and theft. Both involved taking money from its rightful owner.

He regretted losses to holders of Barings' bonds, who were not repaid when ING Group, the Dutch bank, bought Barings' operations. "The fact that investors in the capital of Barings lost money is totally unacceptable to me," he said.

He said he accepted his share of responsibility for the collapse. "Nobody who has been part of an experience like this could be capable of looking back on it without feeling that other things could have been done," he said.

Mr Norris's actions, and those of other former Barings executives, are being examined by the Securities and Futures Authority, the UK regulatory body. This could lead to their being banned as directors of investment banks.

Mr Norris said a regulatory investigation was appropriate. "If what people are saying is that they would like to see a whole lot of others go through criminal proceedings, I think that is misconceived and inappropriate," he said.

The length of Mr Leeson's sentence surprised his lawyers.

French strike 'concession'

Continued from Page 1

on to the streets of cities and towns. But, in addition to the total rail stoppage, other public services remained well below full strength.

Strikers caused severe disruption to Channel Tunnel rail services, blocking the toll gates for vehicles leaving France. Eurostar passenger services were also halted. Almost a third of air flights in France were also cancelled.

Mr Juppé has scrapped the idea of creating a new off-budget pension fund for all central government employees, a plan to which the unions objected because they believed it would weaken government responsibility to meet any shortfall in financing civil servants' pensions.

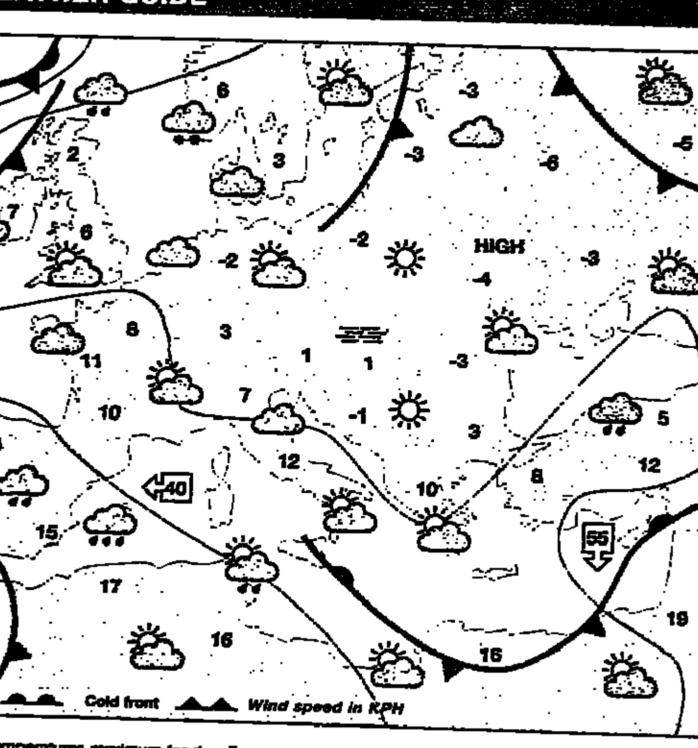
FT WEATHER GUIDE

Europe today

High pressure over the northern part of the continent will keep a series of low pressure systems over the Mediterranean. As a result, cloud and rain will occur in Spain, south-eastern France and Italy and its islands. However, south-eastern Europe will become more settled and will be dry with sunny periods. Northern Turkey will have cloud and rain owing to a moist wind from the Black Sea. The Benelux and Germany will stay dry but will be cloudy. Afternoon temperatures will slightly decrease to about freezing. Eastern Europe will be rather sunny after morning fog which may persist in places. Patchy fog will also develop in parts of the UK and north-eastern France.

Five-day forecast

High pressure will stay over the northern part of the continent, confining frontal zones with cloud and rain to southern Europe. The Benelux, northern France and Germany will be dry with sunny spells. Maximum temperatures will rise and will mainly be above freezing. The UK will also remain dry and will have sunny periods.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	25
Accra	sun	32
Algiers	fair	18
Amsterdam	cloudy	3
Athens	cloudy	9
Atlanta	shower	7
B. Aires	fair	22
B.ham	sun	2
Bangkok	fair	29
Barcelona	rain	14
Beijing	fair	7
Belfast	fair	5
Belgrade	sun	-1
Berlin	fair	-2
Bermuda	fair	21
Bogota	shower	19
Bombay	sun	33
Brussels	cloudy	5
Budapest	fog	1
C.hagen	cloudy	2
Cairo	sun	19
Cape Town	fair	26
Caracas	fair	31
Cardiff	sun	3
Casablanca	shower	16
Chicago	fair	-7
Cologne	cloudy	6
Dakar	sun	27
Dallas	fair	8
Delhi	fair	25
Dubai	sun	26
Dublin	fair	6
Dubrovnik	sun	13
Edinburgh	fair	2
Faro	cloudy	14
Frankfurt	fair	2
Geneva	cloudy	5
Gibraltar	rain	14
Glasgow	fair	2
Hamburg	cloudy	1
Helsinki	cloudy	-2
Hong Kong	fair	21
Honolulu	fair	29
Istanbul	rain	8
Jakarta	thund	30
Jersey	rain	5
Karachi	fair	29
Kuwait	fair	18
L. Angeles	sun	23
Las Palmas	shower	21
Lima	fair	24
Lisbon	cloudy	12
London	cloudy	6
Lux.bourg	fair	3
Lyon	cloudy	10
Madeira	shower	18
Madrid	rain	8
Majorca	rain	16
Malta	rain	18
Manchester	fair	3
Manila	cloudy	29
Melbourne	cloudy	22
Mexico City	sun	22
Miami	fair	27
Milan	cloudy	7
Montreal	snow	-8
Moscow	cloudy	-5
Munich	cloudy	1
Nairobi	fair	26
Naples	cloudy	16
Nassau	sun	26
New York	rain	4
Nice	rain	14
Nicosia	cloudy	16
Oslo	cloudy	-1
Paris	cloudy	8
Perth	fair	25
Prague	cloudy	-2
Rangoon	fair	31
Reykjavik	rain	5
Rio	cloudy	26
Rome	cloudy	15
S. Frsco	cloudy	17
Seoul	sun	5
Singapore	fair	30
Stockholm	cloudy	0
Strasbourg	cloudy	2
Sydney	sun	29
Tangier	shower	14
Tel Aviv	fair	18
Tokyo	fair	11
Toronto	snow	-2
Vancouver	cloudy	6
Venice	cloudy	10
Vienna	fog	1
Warsaw	fair	-2
Washington	rain	5
Wellington	shower	18
Winnipeg	fair	-21
Zurich	fair	3

هكذا من الاصل